

# Congressional Record.

## PROCEEDINGS AND DEBATES OF THE SIXTY-SIXTH CONGRESS SECOND SESSION.

### SENATE.

TUESDAY, January 6, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, reverently we take Thy name upon our lips. Thou art the author of our being. Thou art the judge of all men. With Thee we have to do in all the plans and purposes of life, and we have no plan or purpose that is not Thine. We simply invoke Thy blessing upon us, that the will of God may be wrought out through us and that the Nation may have the touch and blessing of God upon it from day to day as we labor together with God. For Christ's sake. Amen.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Assistant Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Lenroot	Pomerene
Ball	France	Lodge	Ransdell
Bankhead	Gerry	McCormick	Sheppard
Brandeggee	Harris	McCumber	Sherman
Calder	Harrison	McKellar	Smith, Ga.
Capper	Henderson	McNary	Smoot
Chamberlain	Hitchcock	Nelson	Spencer
Colt	Johnson, S. Dak.	New	Sterling
Culberson	Jones, N. Mex.	Norris	Sutherland
Curtis	Kendrick	Nugent	Swanson
Dial	Kenyon	Overman	Thomas
Dillingham	Keyes	Page	Trammell
Edge	King	Phipps	Wadsworth
Elkins	Kirby	Pittman	Walsh, Mont.
Fernald	Knox	Poindexter	Williams

Mr. POMERENE. I desire to announce that the senior Senator from Iowa [Mr. CUMMINS], the junior Senator from Minnesota [Mr. KELLOGG], and the senior Senator from Arkansas [Mr. ROBINSON] are absent on business of the Senate. They are engaged in a conference on the railway legislation.

Mr. GERRY. The Senator from Tennessee [Mr. SHIELDS] is detained by illness in his family.

The Senator from Massachusetts [Mr. WALSH] is detained by illness of a member of his family.

The Senator from North Carolina [Mr. SIMMONS], the Senator from Arizona [Mr. SMITH], the Senator from Kentucky [Mr. STANLEY], and the Senator from Louisiana [Mr. GAY] are absent on official business.

The VICE PRESIDENT. Sixty Senators have answered to the roll call. There is a quorum present.

CANADIAN GOVERNMENT RAILROADS IN THE UNITED STATES (S. DOC. NO. 162, PT. 2).

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting as an appendix to the report of the commission submitted December 3, 1919, relative to the Canadian Government railroads in the United States, a copy of "An act respecting the acquisition by His Majesty of the Grand Trunk Railway System as finally assented to," which, with the accompanying paper, was referred to the Committee on Interstate Commerce and ordered to be printed.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 2902) to amend section 5182, Revised Statutes of the United States.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8661. An act to authorize the Kingsdale Lumber Corporation to construct a bridge across the Lumber River near the town of Lumberton, N. C.;

H. R. 9369. An act to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows, dependent parents and children of such soldiers, sailors, and marines, and to certain Army nurses, and granting pensions and increase of pensions in certain cases;

H. R. 10135. An act for the construction of a bridge across Rock River, at or near East Grand Avenue, in the city of Beloit, Wis.;

H. R. 10331. An act to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919," approved July 9, 1918;

H. R. 10558. An act granting the consent of Congress to the Connecticut River Railroad Co., its lessees, successors, and assigns, to construct a bridge across the Connecticut River in the Commonwealth of Massachusetts;

H. R. 10746. An act to authorize the incorporated town of Wrangell, Alaska, to issue bonds for the construction, enlargement, and equipment of schools, the acquisition and construction of a water-supply system, the construction of a sewer system, the construction of a city dock and floating dock, and to levy and collect a special tax therefor;

H. R. 10873. An act to provide for the acquisition by the United States of private rights of fishery in and about Pearl Harbor, Territory of Hawaii; and

H. R. 11025. An act to authorize the construction, maintenance, and operation of a bridge across the Tombigbee River near Iron Wood Bluff, in Itawamba County, Miss.

The message further announced that the House had passed the bill (S. 2999) to amend section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, with an amendment, in which it requested the concurrence of the Senate.

The message also communicated to the Senate the intelligence of the death of Hon. WALTER ALLEN WATSON, late a Representative from the State of Virginia, and transmitted resolutions of the House thereon.

#### PETITIONS AND MEMORIALS.

Mr. WADSWORTH. I present a large number of petitions signed by members of the Women's Nonpartisan Committee for the League of Nations, urging the immediate ratification of the treaty of peace and the covenant of the league of nations. I move that the petitions be referred to the Committee on Foreign Relations.

The motion was agreed to.

Mr. CAPPER presented a petition of sundry citizens of Bloom, Kans., praying that admissions to Lyceum courses be exempted from the provisions of the so-called "luxury tax," which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Arkansas City, Kans., remonstrating against the passage of the so-called Cummins and Esch railroad bills, and praying for a two-year extension of Government operation of railroads, which was ordered to lie on the table.

#### BALLOT ON PEACE TREATY.

Mr. CHAMBERLAIN. Mr. President, a correspondent of the Oregon Journal, one of the leading papers published in my city, received from the Journal by wire this morning a statement of the result of a ballot being taken by that paper on the peace treaty. I ask that it may be read and that the form of the ballot which is submitted to the readers of the paper, which is attached to the report, may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Assistant Secretary read as follows:

[Telegram.]

PORTLAND, OREG., January 5, 1920.

CARL SMITH,  
Correspondent Oregon Journal:

Up to noon to-day totals in the Journal's treaty poll are as follows:

For compromise and immediate ratification, 374.  
For ratification with Lodge reservations, 66.  
For ratification substantially as presented by Wilson, 5,333.  
Opposed to ratification in any form, 133.  
To-day's count showed but 2 for compromise, 735 for Wilson plan, none for Lodge plan, none against ratification. Please communicate these results to Senators CHAMBERLAIN, McNARY, LODGE, and HITCHCOCK.

#### JOURNAL.

#### BALLOT ON PEACE TREATY.

- Vote one choice. Indicate preference by X mark in square.
- 1 ☐ I favor compromise on reservations and immediate ratification of peace treaty and league of nations covenant.
- Or, 2 ☐ I favor ratification with Lodge reservations.
- Or, 3 ☐ I favor ratification of the peace treaty and league of nations covenant substantially as presented to the Senate by President Wilson.
- Or, 4 ☐ I am opposed to ratification in any form.

Name.....

Address.....  
Fill in and mail to the Journal. Limitation of ballot to qualified voters is requested.

#### CANADIAN NEWSPRINT PAPER.

Mr. SHERMAN. Mr. President, I present a telegram from the Butterick Publishing Co., of Chicago, Ill. They had a contract with a newsprint paper company in Canada for a supply of newsprint paper. It is threatened now to be canceled by the Canadian authorities at the request of certain Canadian and British newspaper publishers who require all the newsprint for their purposes. In view of the fact that we are asked to loan immense credits to Europe, and especially to England as the clearing house of the Old World, I think it is material, and I ask that the telegram be printed at length without reading.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., January 5.

Hon. LAWRENCE Y. SHERMAN,  
United States Senate, Washington, D. C.:

For the last 10 years we have purchased all our supplies of newsprint paper from Canada, the contracts having been made during the war through the Canadian Export Paper Co. (Ltd.), of Montreal. The contracts for the purchase of this paper have been made under and in accordance with the provisions of an agreement between the Attorney General of the United States as trustee and various American and Canadian manufacturers of newsprint paper, the agreement referred to bearing date November 26, 1917. We have not during the war increased our consumption of newsprint paper brought from Canada, but, on the contrary, have reduced it. We are to-day advised by the Canadian Export Paper Co. that the Canadian paper controller has directed Price Bros. & Co. (Ltd.), of Quebec, Canada, one of the largest paper manufacturers in Canada and from whom the Canadian Export Paper Co. obtains part of its supplies, to supply paper to Canadian newspapers, namely the Hamilton Spectator and the London Free Press, which papers are not by contract entitled to the paper demanded. And although to supply the paper demanded will make impossible for the Canadian Export Paper Co. (Ltd.) to furnish to us the paper contracted for by us, the Canadian paper controller threatens unless paper is furnished to the Hamilton Spectator and the London Free Press in accordance with his instructions to have passed an order in council prohibiting the export of any newsprint paper. His action is not supported by any war or other public necessity, but appears to be solely for the private benefit of the two Canadian newspapers. The effect of this action is to interfere for the private benefit of the two Canadian newspapers with existing contracts between Canadian and American firms. This threat to use the Government powers of Canada for the private benefit of Canadians seems to us an outrageous proceeding. We respectfully request you to protest in our behalf and in behalf of other American consumers similarly situated, making protest to Sir Henry Drayton, finance minister of Canada, at Ottawa.

THE BUTTERICK PUBLISHING CO.

#### THE BEET-SUGAR PRODUCT.

Mr. SMOOT. Mr. President, there seems to be a persistent propaganda going on through the United States to convince the American consumers of sugar that the cause of the high prices of sugar is on account of the beet-sugar producers holding back their product from the market. I have taken occasion to find out just what is the percentage of the beet-sugar production of this country disposed of by the 1st day of January, beginning with the year 1913-14 down to and including the crop of 1919-20. I am not going to take the time to read the tonnage or the pounds, but I will just call attention to the percentages of the production of beets in those years, showing the percentage of the crops sold on the 1st day of January of each of the years named.

In the year 1913-14 it was 31 per cent of the production of that year.

In 1914-15 it was 28 per cent.

In 1915-16 it was 34 per cent.

In 1916-17 it was 36 per cent.

In 1917-18 it was 48 per cent.

In 1918-19 it was only 29 per cent.

And in 1919-20 it was 65 per cent.

So, Mr. President, when anyone states that the reason for the high price that is being charged to the consumer for sugar in the United States is because the beet-sugar producers of the country are holding back their product from the market, it is an absolute falsehood. They have sold now 65 per cent of the whole production of the year 1919-20. It has been delivered, and if it is being hoarded the Attorney General of the United States ought to take action against the hoarders and profiteers and stop the unjustifiable price that is being charged to the people of the United States for sugar.

Even in the District of Columbia we are compelled, so I am told, to pay 23 cents a pound for sugar, and then only get 2 pounds at a time. There is no necessity for this condition. It ought to be handled in the most drastic way. There is plenty of law to do it, and the American people should not be compelled to pay these outrageous prices.

I ask to have inserted in the RECORD the following table giving the production, estimated deliveries, and per cent of United States beet sugar.

The VICE PRESIDENT. Without objection, it is so ordered. The table referred to is as follows:

	United States beet-sugar production.	Estimated deliveries.	Per cent.
	<i>Bags.</i>	<i>Bags.</i>	
1919-20 (estimated).....	14,432,000	9,391,000	65
1918-19 (actual).....	15,248,000	4,413,000	29
1917-18 (actual).....	15,276,000	7,422,000	48
1916-17 (actual).....	16,403,000	5,950,000	36
1915-16 (actual).....	17,453,000	5,955,000	34
1914-15 (actual).....	14,578,000	4,081,000	28
1913-14 (actual).....	14,544,000	4,508,000	31

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 3640) to provide for the establishment and maintenance of a forest experiment station in the State of Minnesota; to the Committee on Agriculture and Forestry.

By Mr. HENDERSON:

A bill (S. 3641) making an appropriation for the construction of drainage facilities in connection with the Newlands reclamation project, in the State of Nevada; to the Committee on Irrigation and Reclamation of Arid Lands.

By Mr. HARRIS:

A bill (S. 3642) to provide for the return of the dead bodies of soldiers of the American Expeditionary Forces buried in France; to the Committee on Military Affairs.

A bill (S. 3643) providing for the purchase of a site and the erection thereon of a post-office building at the city of Monticello, Ga.;

A bill (S. 3644) providing for a site and public building for a post office at Sparta, Ga.;

A bill (S. 3645) for the purchase of a site for and the erection of a post-office building at Cairo, Ga.;

A bill (S. 3646) to increase the appropriation for the purchase of a site and erection of a building for a post office at Douglas, Ga.;

A bill (S. 3647) for the erection of a public building at Jesus, Ga.;



A bill (S. 3648) for the purchase of a site for and the erection of a post-office building at Camilla, Ga.;

A bill (S. 3649) for the erection of a public building at Blackshear, Ga.; and

A bill (S. 3650) providing for the purchase of a site and the erection of a public building thereon at Vidalia, Toombs County, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. LENROOT:

A bill (S. 3651) to provide for the commission of Kerwin C. Lubs as a first lieutenant in the United States Army and an honorable discharge therefrom; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 3652) granting a pension to Edgar E. Rich; to the Committee on Pensions.

By Mr. LENROOT:

A bill (S. 3653) for the relief of John P. Chesley; to the Committee on Military Affairs.

By Mr. DILLINGHAM:

A bill (S. 3654) granting a pension to Eva Fildfield (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON:

A bill (S. 3655) to increase the cost of the public building at Prescott, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. CALDER:

A bill (S. 3658) for the relief of the next of kin of Edgar C. Bryon; to the Committee on Claims.

#### THE MERCHANT MARINE.

Mr. RANDELL. Mr. President, I introduce a bill to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes. I shall make a very brief explanation of the bill.

This bill is the outgrowth of very serious consideration of the subject for a period of eight months by the National Merchant Marine Association, an organization of which I am president, formed about one year ago for the purpose of aiding in the development of a merchant marine under the American flag adequate to the needs of our country in peace and war, and including in its membership representative men from agricultural, commercial, and labor circles, and broadly representative of all classes of our citizenship. The bill provides for speedily substituting private ownership for Government ownership of vessels. The council of the association has gone on record as favoring the principles enumerated in the bill. Briefly, the bill requires, first, the repeal of certain sections of the shipping act and the transfer to the Shipping Board of property acquired by the President under resolutions passed by Congress.

Sections 3 and 4 provide that the merchant vessels now owned or controlled by the United States be placed under private ownership and operation by citizens of the United States as soon as practicable, except that such of the vessels of 6,000 dead-weight tons and less, as the Shipping Board shall decide are not required for the maintenance and development of American trade routes, and such vessels as the board shall deem unnecessary to the promotion and maintenance of an efficient merchant marine may be sold to aliens with privilege of transfer of flag.

Section 5 provides for the allocation to private operators of unsold tonnage, to be operated for Government account.

Section 6, as an encouragement to American operators, provides that the purchasers of Government tonnage shall be exempted in respect to the earnings of such vessels from excess-profits taxes for a period of 10 years.

Section 7 provides that pending the sale of the tonnage the Shipping Board shall be empowered through private operators to use such ships as may be needed to inaugurate and develop passenger and trade routes where it is deemed desirable in the national interest that such lines be established.

Section 8 deals with the terms of payment, insurance against loss or damage, and indemnity insurance.

Section 9 authorizes the board to sell miscellaneous property and vessels contracted for or under construction.

Section 10 directs the manner in which funds acquired by the board shall be disposed of.

Section 11 deals with vessels chartered to the War Department.

Section 12 suspends the building, requisition, or exchange of houses or buildings or the requisition of lands authorized by the act of March 1, 1918, and directs the disposition of property acquired thereunder.

The provisions of this bill, which have been drafted with some care, represent the conclusions I have come to after months of painstaking consideration of the question.

The subject is a complex one and it is not possible for anyone to assert with absolute confidence that the solution proposed by him is certainly correct in all particulars. While, therefore, as I have said, the provisions of this bill represent my conclusions after months of study, still I can not ignore the possibility that the ideas of my colleagues as they may be developed in conference or on the floor of the Senate or additional facts, may to some extent modify my present point of view. And I shall therefore feel myself free, in case I become convinced that some aspects of the subject have been overlooked, to advocate such modifications as may be necessary to remedy deficiencies which may thus become apparent.

I ask that the bill be referred to the Committee on Commerce.

The bill (S. 3656) to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

#### SPECIAL COMMITTEE ON BUDGET SYSTEM.

Mr. McCORMICK submitted the following resolution (S. Res. 268), which was read, considered by unanimous consent, and agreed to:

*Resolved*, That the time for the submission of the report of the special committee of the Senate to devise a plan for a budget system is hereby extended to April 1, 1920.

#### COURTS IN NEW YORK.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2909) to amend section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, which was, on page 1, to strike out all after line 6 down to and including line 6 on page 4 and insert:

SEC. 97. The State of New York is divided into four judicial districts, to be known as the northern, eastern, southern, and western districts of New York. The northern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Albany, Broome, Chautauque, Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Montgomery, Oneida, Onondaga, Oswego, Otsego, Rensselaer, St. Lawrence, Saratoga, Schoenectady, Schoharie, Tioga, Tompkins, Warren, and Washington, with the waters thereof. Terms of the district court for said district shall be held at Albany on the second Tuesday in February; at Utica on the first Tuesday in December; at Binghamton on the second Tuesday in June; at Auburn on the first Tuesday in October; at Syracuse on the first Tuesday in April; and, in the discretion of the judge of the court, one term annually at such time and place within the counties of Rensselaer, Saratoga, Onondaga, St. Lawrence, Clinton, Jefferson, Oswego, and Franklin, as he may from time to time appoint. Such appointment shall be made by notice of at least 20 days published in a newspaper published at the place where said court is to be held. The eastern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Richmond, Kings, Queens, Nassau, and Suffolk, with the waters thereof. Terms of the district court for said district shall be held at Brooklyn on the first Wednesday in every month. The southern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Columbia, Dutchess, Greene, New York, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester, with the waters thereof. Terms of the district court for said district shall be held at New York City on the first Tuesday in each month. The district courts of the southern and eastern districts shall have concurrent jurisdiction over the waters within the counties of New York, Kings, Queens, Nassau, Richmond, and Suffolk, and over all seizures made and all matters done in such waters; all processes or orders issued within either of said courts or by any judge thereof shall run and be executed in any part of said waters. The western district shall include the territory embraced on the 1st day of July, 1910, in the counties of Allegany, Cattaraugus, Chautauque, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates, with the waters thereof. Terms of the district court for said district shall be held at Elmira on the second Tuesday in January; at Buffalo on the second Tuesdays in March and November; at Rochester on the second Tuesday in May; at Jamestown on the second Tuesday in July; at Lockport on the second Tuesday in October; and at Canandaigua on the second Tuesday in September. The regular sessions of the district court for the western district for the hearing of motions, and for proceedings in bankruptcy and the trial of causes in admiralty, shall be held at Buffalo at least two weeks in each month of the year except August, unless the business is sooner disposed of. The times for holding the same and such other special sessions as the court shall deem necessary shall be fixed by rules of the court. All process in admiralty causes and proceedings shall be made returnable at Buffalo. The judge of any district in the State of New York may perform the duties of the judge of any other district in such State upon the request of any resident judge entered in the minutes of his court; and in such cases such judge shall have the same powers as are vested in the resident judge.

Mr. WADSWORTH. In making the motion that the Senate shall concur in the amendment made by the House I simply desire to say that the House amendment made to the bill which was introduced by myself is one which does not change the character of the legislation in the slightest degree. There are some very minor changes which I am sure will not arouse any objection whatsoever. It is a local bill, applicable only to certain

judicial districts in the State of New York. I move that the Senate concur in the House amendment.

The motion was agreed to.

#### HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 8661. An act to authorize the Kingsdale Lumber Corporation to construct a bridge across the Lumber River, near the town of Lumberton, N. C.;

H. R. 10135. An act for the construction of a bridge across Rock River at or near East Grand Avenue, in the city of Beloit, Wis.;

H. R. 10558. An act granting the consent of Congress to the Connecticut River Railroad Co., its lessees, successors, and assigns, to construct a bridge across the Connecticut River in the Commonwealth of Massachusetts; and

H. R. 11025. An act to authorize the construction, maintenance, and operation of a bridge across the Tombigbee River near Iron Wood Bluff, in Itawamba County, Miss.

H. R. 9369. An act to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows, dependent parents, and children of such soldiers, sailors, and marines, and to certain Army nurses, and granting pensions and increase of pensions in certain cases, was read twice by its title and referred to the Committee on Pensions.

H. R. 10331. An act to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919," approved July 9, 1918, was read twice by its title and referred to the Committee on Military Affairs.

A bill (H. R. 10746) to authorize the incorporated town of Wrangell, Alaska, to issue bonds for the construction, enlargement, and equipment of schools, the acquisition and construction of a water-supply system, the construction of a sewer system, the construction of a city dock and floating dock, and to levy and collect a special tax therefor, was read twice by its title and referred to the Committee on Territories.

A bill (H. R. 10873) to provide for the acquisition by the United States of private rights of fishery in and about Pearl Harbor, Territory of Hawaii, was read twice by its title and referred to the Committee on Pacific Islands and Porto Rico.

#### THE AIR MAIL SERVICE.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Record a letter from the Postmaster General in reference to the air mail service of the Post Office Department.

Mr. SMOOT. I will ask the Senator from Tennessee to whom is the letter addressed?

Mr. McKELLAR. It is a letter addressed to me, which describes the service, and is a matter in which, I think, the Senate will be interested.

Mr. SMOOT. It is not in any wise a departmental document?

Mr. McKELLAR. No; it is a letter addressed to me.

The PRESIDING OFFICER (Mr. NUGENT in the chair). Without objection, the request of the Senator from Tennessee is granted.

The letter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,  
Washington, January 6, 1920.

Hon. KENNETH McKELLAR,  
United States Senate.

MY DEAR SENATOR McKELLAR: In pursuance to our recent conversation and in response to your request, I beg to submit the following as a history of the air mail service, its cost of operation, the savings effected thereby, and some reasons why it should not be consolidated with an air department:

There are pending in Congress two bills—S. 3348 and H. R. 9804—designed to take from the Post Office Department the operation of the air mail service and place it in the hands of a military department of air. The bills provide that the proposed department of air shall take over the air mail service, planes, property, and appropriation and perform every function performed by the Post Office Department in connection with aviation.

The air mail has been a financial and postal success and its efficiency has elicited high praise in Europe as well as in the United States, yet the pending bills propose to take it out of the hands of a civil department of the Government and place it under the control of a department military in character and personnel, and devised not to develop commercial aviation but military proficiency in the air.

The air mail has been in continuous operation since May 15, 1918, and has covered 473,210 miles. Its performance is 91.49 per cent.

It has carried 22,254,400 letters, advancing their delivery on an average by 16 hours, or one entire business day.

Its operating cost to date, including overhead and interest on investment for three routes, is as follows:

Washington to New York	\$202,558.96
New York to Cleveland	112,796.57
Cleveland to Chicago	81,865.00
	397,220.47

#### AIR MAIL PAYS FOR ITSELF.

It is not customary for Congress to demand that the operations of the Postal Service shall be self-sustaining, yet the operations of the air mail service paid for itself in the sale of special airplane postage and the saving of car space and cost of distribution in trains. The mail is moved so rapidly by airplane that the distribution can be done in the post offices instead of on trains. The Post Office Department found that over the principal long-distance mail routes the air mail saving on the cost of train distribution is so great that it was possible to discontinue the extra airplane postage rates, and letters are now being carried by airplane at the regular postage rate.

The revenue and savings from the air mail operations have been \$194,831.50 from the sale of extra-rate airplane postage—\$2,448 in car space from May 15, 1918, to June 30, 1919. The saving on train distribution from July 1 to December 31, 1919, was at the rate of \$176,000 per year, and since January 1, 1920, by the use of large weight-carrying planes, the saving is at the rate of \$593,000 per year.

Nobody insists that the Rural Free Delivery Service, costing annually \$66,031,487, or that the Railway Mail Service, created solely for the expeditious handling of the mails through working them on trains, and costing the Government \$36,984,481 annually, shall be self-sustaining. Yet here is a remarkably rapid service, doubling the speed of the fastest trains, expediting the mails on long-distance runs by 16 hours or more in delivery to the public, that can pay for itself in savings on car space and train distribution.

#### EFFICIENCY OF AIR MAIL SERVICE.

In the operations of the air mail every effort has been made to eliminate the spectacular. Everything has been concentrated on obtaining results. Air mail fields are not show grounds; air mail planes are not gaud and tinsel, and there are no rides in air mail planes for advertising or propaganda purposes. The greatest handicap that commercial aviation faces to-day is the spectacular phase of flying, stunting, and racing. Aviation has so long been exploited as a sport and a show that the public has not been able to visualize it as a practical instrument of commerce. A few cities, like Chicago, whose bank mail reaches New York by air mail in time for bank clearings the following morning instead of too late for that important event had the mail continued by train, realize that the air mail is more than an instrument of war or plaything for the rich or a thrill maker for fair-ground crowds. But the public in general does not yet realize the daily commercial value of the airplane as demonstrated by the air mail. It is astounding how few people know that this epoch-making facility—the air mail—has been in daily operation for 19½ months, carrying to date more than 22,000,000 letters between Chicago, Cleveland, New York, and Washington at better than twice the speed of the Congressional Limited or the Twentieth Century, and in this 19½ months the air mail has to its credit a performance of 91½ per cent, summer and winter, across the mountains and up and down the seacoast.

No man who knows anything about aviation will contend that any air service, or any other branch of the Government, can exceed that record. A performance of 91½ per cent over 19½ months operation is all that any person or organization can get out of the airplane to-day with its limitations. On the route between Cleveland and Chicago the air mail accomplished a world's record of 205 consecutive 325-mile nonstop trips without a forced landing of any kind.

#### ECONOMY IN AIR MAIL OPERATIONS.

In the matter of economy, no man can study the cost of the air mail as operated by the Post Office Department and say that its equal has been approached by airplane operations by any organization anywhere—here or broad. At a cost to the Government of \$397,220.47, the air mail has operated 507 flying days, covering an aggregate of 473,210 miles, at a cost of 84 cents a mile. This cost includes the value of every piece of material and every minute of time entering into the repair and upkeep of the planes; the cost of every smash-up and every forced landing; every cent of loss; every penny of overhead; and 6 per cent interest on the value of the field equipment and planes in actual use and in service on the fields. This is not all cash expenditures, but a large part of it represents the war-time cost of material salvaged out of the surplus Army and Navy material at the close of the war by the Post Office De-



partment. In the statistical reports on the cost of operating the routes this material is charged in the account at the cost price to the Government, as if it were paid for in cash out of the appropriations for the air mail.

Consider the accomplishment. Daily operation of a route 218 miles between New York and Washington for 19½ months; a route of 325 miles between Cleveland and Chicago for 7½ months; and a route of 430 miles between New York and Cleveland for 6 months; experimentation and development of a satisfactory commercial mail plane; the upkeep of seven aviation fields—all for \$397,220.47; and the entire expenditure coming back to the Government in the shape of sale of special airplane postage and actual saving of car space, and thereby expediting annually more than 22,000,000 letters an entire business day. What could a militarized air service or any other organization do better than this?

#### FEW CASUALTIES IN AIR MAIL.

Then consider the safety of operations in the air mail as compared with any other aerial activity—military, exhibition, or aerial-passenger transport, either in America or abroad. In the daily operations of the air mail over a period of 19½ months and covering 473,210 miles, four air mail pilots have lost their lives flying the mail, as follows: Frank S. McCusker, Cleveland, Ohio, May 25, 1919; Charles W. Lamborne, Dix Run, Pa., July 19, 1919; John P. Charlton, Long Valley, N. J., October 30, 1919; and Lyman W. Doty, Catonsville, Md., October 15, 1919. On the fields, one mechanic and one spectator have been killed by coming in contact with the whirling propellers of planes on the ground. Two pilots have been seriously injured—none permanently—and not more than half a dozen have been hurt or shaken up severely enough to lay them up for more than a few hours. And this record was achieved in the stern work of carrying the mail as a daily routine in storm, rain, sleet, and fog.

Compare with that the European military and civilian aviation death roll since the close of the war, and even the civilian and military record in the United States. It is not a reflection on our Army that its air force reports between 50 and 60 killed during the year 1919, or that 8 of these deaths occurred in the short period of the great transcontinental air race from October 8 to November 4, 1919. It simply shows that straight commercial flying as conducted by the air mail, with its pilots kept in constant practice and its mechanics trained to bring about one daily result, is a reasonably safe undertaking, considering the limitations and crudeness of the present-day airplane.

#### AIR SERVICE BILLS AFFECT AIR MAIL.

The development and extension of the air mail has been seriously hampered through failure of Congress to make substantial appropriations. This failure did not result from antagonism to an air-mail service, but was the result of a campaign conducted to force legislation for the creation of a department of air. The purpose of such proposed legislation clearly is to create a powerful independent military air force, instead of separate Army and naval air forces. The principal bills introduced and considered by the committees of Congress are nearly exclusively military in their character, usually with one paragraph, very general in tenor, dealing with the encouragement of commercial aeronautics. These bills, devoted almost entirely to creating a fighting air force, always seek to take from the Post Office Department the operations of its air-mail service. It is contended that money would be saved to the Government through the elimination of duplication, if the operations of the air mail were taken from the Post Office Department and merged with the operations of the independent military air service.

Everybody knows that the methods and practices obtaining the world over in military operations, and probably necessary for military efficiency, are not the practices and methods that make for commercial success, and no amount of consolidation under military practices can possibly cut the cost of operations down to the efficient economic basis of the air mail.

No one will contend that these bills, so strongly urged by military fliers, are anything but purely military in character. They are drawn for the purpose of creating an air military force, separate and distinct from land military establishment and from the Navy. It is apparently expected that the head of this proposed new department would be a civilian, but his whole organization would be military, and, in the language of two of the most strongly pressed bills, governed under the rules and regulations of the War Department in the proposed acts. These two bills even provide that the air routes shall be laid out, not to meet the needs of commerce in time of peace, but to meet the military needs in time of war.

#### WHY DO THEY WANT THE AIR MAIL?

What is the purpose then of attempting to take out of the hands of a civil department the efficient and economic operation of a commercial function? It is not necessary to the conduct of

an efficient fighting force. In fact it would be a mere side-line activity of a military air department. It can not seriously be contended that a military air department can conduct the postal air service more economically and more efficiently than it is being conducted by the Post Office Department, as demonstrated by more than a year and a half of operation and as compared with the cost of air operations for military purposes here and abroad.

There is some other reason for this persistent desire to tie up the air mail service with a military air service. Whether it is the reason or not, it is easy to see that the proposed department of air would be likely to get larger appropriations if it transported mail from city to city than if it devoted itself to purely military work. It can not be in the interest of either economy or postal efficiency to take the air mail out of the hands of the Post Office Department and put it under a militarized air service, and certainly it can contribute nothing to military efficiency to carry mail sacks back and forth daily between certain cities; then, if it is not the hope of getting larger appropriations from Congress each year, what is behind this powerful and persistent campaign to turn over to the proposed separate military air force this mail-transporting function of the Post Office Department?

The idea that it would be a great thing if the military fliers in their air maneuvers could be put to work carrying mails instead of flying their planes empty appeals to some men.

Would those men vote to put the Infantry to work on the letter carriers' rounds, the Cavalry to patrolling the cities, and the Artillery and transports to hauling street litter to the city dumps just to keep them busy at some civic function?

And what would happen if you turned the air mail over to a military department of air? Remember always that the pending bills would make it an Army and Navy consolidated separate fighting force for the expected purpose of greater military efficiency in the air.

#### WOULD SPEEDILY KILL AIR MAIL.

The first thing that would happen would be that while you might put the military fliers to work on some civic occupation it would cost the Government more per mile and per pound to carry the air mail than under an efficient postal administration.

The next thing that would happen would be an immediate loss of efficiency in postal service, not that the military operatives would not be capable men, but because, first, it would be an operation incidental to the main purposes of the proposed department of the air, which is sought to be created, not to jitney sacks of mail on strict daily schedules between given points but to develop and increase our military proficiency in the air; and, secondly and chiefly, because the Post Office Department could not compel a coordinate branch of the Government to render that degree of service which it could compel its own employees to render or which it could compel a bonded contractor to perform. This is not a groundless fear or imaginary eventuality. It is bitter experience in the Postal Service. The maintaining of schedules and the unfailing performance of service is the very soul of the mail transportation. Fines under the law and recovery on bonds have proven the only means of forcing that dependability of service which postal efficiency requires where the Post Office Department itself does not operate the service.

Long years of experience have taught the Post Office Department that it can not obtain the same efficient service from a coordinate branch of the Government over which it can not exercise direct authority as it can over its bonded contractors or its own employees, and in the light of that experience the Post Office Department serves notice now that Congress will kill the American air mail speedily and with certainty if it transfers its operations from the Post Office Department to the proposed department of air.

#### HOW THE AIR MAIL HAS PERFORMED.

The following table shows the percentage of performance and the cost of service by months from its inauguration on May 15, 1918, to November 30, 1919, a period of 18½ months:

Consolidated statement of operations of air mail service.

Month.	Miles traveled.	Per cent of performance.	Mails carried.	Cost of service.
1918.				
May (15 days).....	5,324	78.87	Pounds. 4,750	\$3,682.11
June.....	10,665	94.97	13,081	9,922.71
July.....	11,855	97.57	16,967	10,001.46
August.....	11,984	99.96	16,588	9,555.67
September.....	10,900	100.00	15,200	9,638.74
October.....	11,617	98.68	16,788	9,841.76
November.....	11,118	98.07	16,854	10,673.68
December.....	8,415	77.23	17,778	13,300.46

## Consolidated statement of operations of air mail service—Continued.

Month.	Miles traveled.	Per cent of performance.	Mails carried.	Cost of service.
1919.				
January.....	9,653	82.00	Pounds. 18,105	\$13,741.58
February.....	9,307	88.18	15,489	13,645.16
March.....	10,699	92.59	17,531	13,880.29
April.....	11,105	95.06	16,677	13,516.44
May.....	22,578	96.92	26,626 <sup>1</sup>	17,715.66
June.....	30,835	99.65	35,647	30,891.62
July.....	56,577	96.04	48,704	41,134.36
August.....	58,022	98.43	56,870	40,614.59
September.....	56,308	98.60	55,683	34,861.53
October.....	50,437	86.27	55,095	35,609.03
November.....	41,757	86.61	54,084	31,127.58
Average.....		92.93		

<sup>1</sup> Cleveland-Chicago route inaugurated May 15, 1919.<sup>2</sup> New York-Cleveland service inaugurated July 1, 1919.<sup>3</sup> Flight Washington-New York prior to July reported as two trips account exchange of mails at Philadelphia, and subsequent to that date nonstop flight reported as one trip.

NOTE.—Effective November 9, 1919, Sunday service on New York-Cleveland and Cleveland-Chicago routes was discontinued.

## HOW LETTERS ARE SPEEDED BY AIR MAIL.

The air mail between Washington and New York, northbound, takes from trains Nos. 82 and 92 about 16,000 letters daily, distributed to New York City carrier routes, and delivers them in New York City in time for the bulk of afternoon carrier-delivery routes. This mail, had it continued to New York by train, would have reached that city, if on time, at 4.45 p. m., too late for delivery that day, and would not have been delivered until the following morning.

Southbound, the air mail takes from train No. 109 the Boston and New England night mail to the amount of about 16,000 letters daily and delivers them in Washington generally in time for the noon carrier delivery in the business district and for the 1.40 p. m. carrier delivery over the entire city of Washington. Before the air mail took over this work the letters from these trains reached Washington in time for the afternoon delivery only when the train was on time in New York City and in Washington, and provided the transfer of mail between the Grand Central Depot and the Pennsylvania Depot in New York City was accomplished in time. The train from New York to Washington missed the carrier delivery in Washington 26 per cent of the time, resulting in delivery the following morning. The immediate result of carrying this mail by airplane was the cessation of complaints from New England commercial centers that their night mail frequently was not delivered in Washington until the second day after mailing.

The air mail between New York and Cleveland leaves New York early in the morning and reaches Cleveland in the forenoon, resulting in an afternoon delivery of that day of mail for Cleveland. The plane also carries about 12,000 letters for the Middle West, which are placed on train No. 35 at Cleveland and arrive in Chicago at 8 p. m. instead of 8 a. m. the following day, had they gone the entire way from New York to Chicago by train, thus advancing these letters 16 hours to the Middle Western States. At Cleveland mail for Chicago and Chicago western connections is taken from train No. 19 and is delivered in Chicago usually at 1 p. m. instead of 4 p. m., had the mail remained on train No. 19, thus insuring delivery in the city of Chicago in the afternoon instead of the following morning and making train connections out of Chicago that would have been missed had the mail remained on the train.

From Chicago, eastbound, mail from the West and from Chicago city is brought to Cleveland in the afternoon, when the eastern mail is placed on the eastbound Twentieth Century Limited and delivered in New York at 9.40 o'clock the following morning instead of the following afternoon. At Cleveland the air mail is taken from train No. 90, which left Chicago at 11 p. m. the night before, and is delivered by plane in New York City early that afternoon instead of the following morning, had it remained on the train.

If it were possible for the railroads to expedite the mail in any such manner—which is not possible—the service would have to be put on, no matter if it did cost the department one or two hundred thousand dollars a year additional. In the case of the air mail, however, the expedition is much greater than could be accomplished by train, and a large saving in space and clerical hire is effected.

## AIR MAIL VERSUS TRAIN TIME.

Thus the air mail has been worked in to supplement the Railway Mail Service in the expediting of letter mail over

long runs. The possibility of the savings of the air mail in the matter of time and in the cost of distribution on trains arises from the fact that the airplane trips are made at an average speed of 80 miles an hour or better, while the average speed of the fastest mail and passenger trains is 40 miles an hour or less.

The following comparative table of possible air mail and train service illustrates this point:

## Scheduled time of mail trains in 1913 and 1919.

From—	To—	1913	1919	Possible by air mail.
Boston.....	Detroit.....	H. m. 18 10	H. m. 21 55	H. m. 8 23
Do.....	Chicago.....	25 50	27 00	8 45
Do.....	New York.....	5 36	6 50	3 03
New York.....	Chicago.....	23 50	24 20	9 33
Do.....	Omaha.....	36 20	38 30	15 23
Do.....	Minneapolis.....	35 42	36 54	13 33
Do.....	St. Louis.....	23 55	28 45	12 05
Do.....	Jacksonville.....	27 35	29 22	11 54
Do.....	Seattle.....	83 15	90 00	31 54
Do.....	Portland.....	84 30	90 30	32 51
Do.....	San Francisco.....	86 40	90 30	35 00
Washington.....	Jacksonville.....	22 00	24 40	8 56
Do.....	New Orleans.....	33 30	35 30	12 51
Do.....	Chicago.....	21 00	22 10	8 11
Do.....	St. Louis.....	23 35	27 55	9 30
Chicago.....	Minneapolis.....	10 17	11 24	4 48
Do.....	Omaha.....	11 20	12 45	5 30
St. Louis.....	Kansas City.....	7 10	7 25	3 06
Do.....	Fort Worth.....	24 00	26 10	7 25
Do.....	Omaha.....	12 14	13 26	4 42

Every means of transportation is subject to delays by accident and weather, but the performance of the air mail compares favorably with the average annual record of the railways. The New York-Washington route from its inauguration May 15, 1918, to January 1, 1920, has scored a performance of 94.5 per cent. The Chicago-Cleveland route from its inauguration May 15, 1919, to date has scored a performance of 95 per cent, and the New York-Cleveland route across the mountains, since its inauguration July 1, 1919, has scored a performance of 89 per cent. The important thing is that by reason of the great speed of the airplane the small per cent of failures did in no instance delay the mail beyond the time it would have taken to carry it by train.

## EXTENSION PROGRAM FOR AIR MAIL.

The Post Office Department, responding to the demand from commercial centers for extension of this expeditious mail service, asks for an appropriation of \$3,000,000 for the ensuing year. With this money it would extend the route from Chicago to the Pacific coast, thus reducing the present westbound mail service of 90½ hours and the eastbound service of 102 hours each to 59 hours. In order to get a letter from New York to San Francisco by Friday noon, it would have to be mailed some time before 6 p. m. on the previous Monday, whereas a letter mailed any time up to midnight Monday would be delivered by air mail to San Francisco on Thursday forenoon. Again, the train scheduled to arrive in San Francisco at 12.30 p. m. daily is generally so late that delivery of the mail by carriers can not be effected until the following morning. During the month of October the train with the heavy eastern mail arrived late in San Francisco 21 out of 25 days.

A second important route on the proposed air mail extension would operate from Pittsburgh to Kansas City via Indianapolis, Cincinnati, and St. Louis. This mail would leave Pittsburgh at 7 a. m. with the mail from Pittsburgh and from the night trains out of New York and make deliveries to Indianapolis and Cincinnati in the forenoon and in St. Louis at noon and in Kansas City that afternoon, cutting the railroad time between Pittsburgh and Kansas City from 24 hours and 50 minutes to 10 hours and 40 minutes.

A third extensive route contemplated would be from Minneapolis via Chicago to St. Louis, cutting the railway time from 20 hours and 35 minutes to 7 hours and 30 minutes.

A fourth important air mail service would extend from New York to Atlanta by extending the New York-Washington route south. This line would then be 850 miles long, and the time of transit would be reduced from 26 hours and 15 minutes to 10 hours and 40 minutes by air mail.

The following table summarizes the proposed extension of the air mail during the ensuing fiscal year as presented to the House Committee on the Post Office and Post Roads by the Post Office Department:



Routes.	Rail miles.	Air miles.	Rail time.	Air time.	Number letters.	Cost air mail.	Mail advanced.
New York and San Francisco.....	3,231	2,630	90.30	59.00	146,000,000	\$1,043,363	Pacific coast, 48 hours; Ohio to Utah, from 12 to 36 hours.
New York and Atlanta.....	884	850	26.15	10.40	75,120,000	461,929	Maryland, Virginia, North Carolina, South Carolina, Georgia, Alabama, and Florida, from 12 to 24 hours.
Pittsburgh and Kansas City.....	903	850	24.50	10.40	87,640,000	461,929	Kentucky, Tennessee, Missouri, Kansas, and Southwestern States, 12 to 24 hours.
Twin Cities and St. Louis (via Chicago).....	703	600	20.35	7.30	73,920,000	282,452	Between Northwest and Southwest, one business day; from Chicago, 16 hours in delivery.
Operating cost of air service.....							\$2,249,673
Reduction rail transportation.....							\$1,720,790
Number letters all routes.....							382,680,000

The Post Office Department has also received a proposal to operate a hydroplane air mail line from St. Louis via Cairo, Memphis, and Vicksburg to New Orleans. Under this proposal the St. Louis and New Orleans mail would be delivered in Memphis to the public on the afternoon carrier deliveries instead of the following morning by trains, and there would be a like expedition of the mail from Memphis to New Orleans and St. Louis.

#### WOULD CONTRACT FOR AIR MAIL SERVICE.

There are other routes in which as great expedition of the mails could be effected, but the Post Office Department has not recommended their establishment, because it is not possible to show an important reduction in space and clerk hire on the trains in addition to the great saving of time. For some reason it is demanded of the Post Office Department that its air mail service should be self-sustaining. If you put that test to the Railway Mail Service, the City Delivery Service, or the Rural Free Delivery Service, these postal agencies, which cost millions but which do not bring sufficient new business to the Postal Service to pay any substantial part of their costs, would die instantly. Here, then, has suddenly arisen, through the epoch-making invention of the airplane, a mail transportation medium cutting in half the fastest railroad time between our commercial centers, yet so critical has Congress been of this utilization of the airplane for the mail service that the Post Office Department refrains from recommending the establishment of other important routes because it is impossible to show on them a substantial saving in the cost of railway transportation and distribution.

The Post Office Department has always taken the position that when American capital is ready to enter the aerial transport field, it will be glad to advertise for contracts for carrying mails by airplanes or airships over such routes as will greatly improve the mail service to the public and show a relatively substantial reduction in the cost of transportation and distribution on trains. The work that the Post Office Department is doing through the air mail service is the only effective aid and encouragement given to commercial aviation in this country. Its results and its records of operations are being constantly given to business men who are giving consideration to entering this transportation field.

#### COMMERCIAL OPERATIONS FOUNDATION FOR WAR PREPAREDNESS.

There has been a cry in the land that the United States is utterly unprepared for aerial warfare. Now, it is everywhere recognized that you can not during the long years of peace maintain a great aerial force that can instantly meet a dire national emergency. You must develop commercial aviation as the Post Office Department is doing, so that a permanent industry of magnitude may arise which in time of national emergency can rapidly expand to meet the demands of war. High military authority recognized this. In a report to the Secretary of War a board, composed of Maj. Gens. Menoher, Coe, Haan, and Snow, says:

On account of the short life of aircraft and the great cost of production and maintenance, no nation can in time of peace maintain military air fleets even approximating in size to such as will be necessary in time of war. Such military air fleets must therefore be provided after the beginning of the emergency. The nation which is prepared so that it can be the first to produce, equip, and maintain a superior air force will have an undoubted advantage.

If commercial aeronautics were a paying business large plants would be established in the United States for producing commercial aircraft without other governmental stimulation than that provided for other business affairs. These plants would develop expert aeronautical engineers, expert mechanics, and all classes of personnel necessary for aircraft production and maintenance. In time of war the Nation's producing capacity, already organized, would be diverted from the production of commercial aircraft to the production of military aircraft. This would be a comparatively simple proposition. The Nation would also have a great reservoir of commercial aviators from which, in a short period of time, military aviators could be selected and trained and a limited portion of its commercial fleet could be utilized without radical alterations for certain war purposes. Thus at the beginning of the war it would be possible to develop under military control in a most expeditious manner probably the largest and best military air force that any nation could produce.

The development of commercial aviation to the extent indicated by this Army board can be brought about in two ways—through subsidies, either direct or disguised, or by a rational development of commercial plane types and reduction of operation costs to a practical business basis, which has been a persistent policy with the air mail service.

#### AIR MAIL CONTRIBUTIONS TO AERONAUTICS.

Operating on a meager appropriation, the Post Office Department has already shown what commercial necessity may develop in the advancement of aviation. It was the first to demonstrate that it is possible to maintain a dependable schedule; that it is possible to fly in all kinds of weather; and at its instigations the Bureau of Standards has developed a device that will locate the airplane in fog or rain or flying above the clouds the very center of the field in which it is to land.

As a result of its first year of operation there have been created and built in this country advanced types of two and three motored planes. One of these, which has already attracted the attention of foreign governments, is a plane no larger than our small training planes, but carrying a load of 1,500 pounds, capable of indefinite flight on one engine. It has a speed of more than 120 miles per hour and can wing its way through space at an altitude of 18,000 feet.

Another feat of the Post Office Department has been the reconstruction of the De Havilland airplane, built in large numbers for the war. The first thing the Post Office Department did with this plane was to make it a strong commercial machine, fit for rough cross-country work. The next thing it did was to convert it into a two-motored plane, capable of carrying 800 pounds of mail and capable not only of maintaining itself in the air on one motor with a full load of mail but of actually climbing on one motor with such a load. It is the only two-motored plane in this country that will climb on one motor with a full load.

Other contributions to aeronautics made by the air mail will be found enumerated in the annual report of the national advisory committee to this Congress.

#### UNITED STATES AIR MAIL APPLAUDED IN EUROPE.

The work of the Post Office Department in operating the air mail has not only been fully recognized by aviation experts in the United States but has been sincerely applauded in Europe and held up as a model to foreign governments. It is recognized not only that it is the only continuous and extensive air service in the world, but the dependability of its daily operations have challenged the admiration of the aviation experts abroad.

In a series of newspaper articles in the European press, Dr. Robert Paganini, of Switzerland, writes as follows of the air mail work of the Post Office Department of the United States:

Without going into particulars, in general outline the present standing of the air traffic may be held to be on a firm footing. At the head of all endeavors of this kind are the United States of North America. Beginning with the year 1911, until 1918, about 100 separate attempts at aerial post were carried out in that country. On May 15, 1918, the permanent aerial post Washington-Philadelphia-New York opened, and has been running uninterruptedly since. Other lines have been joined thereon. The great event of recent days was the flight across the ocean; with what relative good results is well known. The aviators also brought mail, to be sure only 2 pounds, and only official correspondence. The American aerial mail service is under the control of the Second Assistant Postmaster General, Otto Praeger, owing to whose zeal in the management of reports we are enabled to obtain the most minute informations and details concerning all the postal flights performed. The results were satisfactory in every respect. Above all, it was brought out that the failures feared through falls and the like have not occurred.

C. G. Grey, of London, in an article in the Illustrated London News of October 11, 1919, says:

Unlike our own case-hardened officials, the American Postal Department itself took the first steps to prove the value of aerial postal lines. Some months before the end of the war an experimental postal line was tried between New York and Washington. The airplanes used were merely low-powered training machines fit only for work at elementary flying schools. In fact, according to our ideas, they were not fit even for such work, for we had turned down similar American machines a year or more before. In spite of this, the experimental service had an efficiency as great as that attributed by Mr. Illingworth (Postmaster General) to our most modern machines. The United States Postal Department, instead of being discouraged—as our officials would evidently

have been—were encouraged to try something better, so when, after the armistice, better machines (built, be it noted, to British designs) and better engines became available, the service was continued, and was extended to Chicago and Cleveland; and a few weeks ago the American Post Office published its figures for a whole year's running.

The service was to be extended from Chicago to St. Louis during September of this year, and to Minneapolis and Omaha in the spring. Be it remembered that all these lines are in direct competition with America's fastest railways, on which are run the crack trains of the New World, such as the Empire State Express and the Twentieth Century Limited.

Col. Thurman H. Bane, chief of the engineering division of the air service, at McCook Field, Dayton, Ohio, pays this tribute to the operations of the air mail service of the Post Office Department, in a letter to the Second Assistant Postmaster General, under date of November 30, 1919:

We were all watching with interest and are now pleased to note the great success you are having. I think your operation will do much to promote general interest throughout the country.

In concluding a chapter on the air mail service, the National Advisory Committee on Aeronautics in its fifth annual report to Congress says:

A statement of the work of the air mail service would be incomplete without reference to the service performance in the air. Early advices received by the Post Office Department were that there would be great difficulty in maintaining a daily schedule of mail flights, and the opinion was held that the service would be interrupted during the winter months and perhaps at other times when conditions might be considered unpropitious. However, the rapid development of aviation generally has made it possible to establish a reliable service, as is shown by the following record: During the last fiscal year only 4.4 per cent of the scheduled trips were not attempted, and out of a total of 138,310 miles possible there were flown 128,255 miles, or a performance of 92.73 per cent. During the same period there were only 37 forced landings, due to mechanical troubles during flight. It would seem, therefore, that the achievements of the air mail service may be regarded as a substantial contribution in the practical development of commercial aviation.

#### HISTORY OF THE AIR MAIL.

The air mail service was initiated by the Postmaster General, who directed the Second Assistant Postmaster General in 1917 to make a study of this subject with a view to establishing such a service, provided assurance could be given that the service would be practical, continuous, and efficient. As early as 1913 the Postmaster General recommended that Congress make an appropriation for an air mail service. The recommendation was frequently repeated, and in 1916 the Congress appropriated \$100,000 for the fiscal year ending June 30, 1918. In the meantime a careful survey of the subject was made not only by the postal authorities but, at their request, by practical business men identified with the development of aviation, and particularly by the National Advisory Committee on Aeronautics, who detailed specialists on this investigation. Assurance being given the Postmaster General that such a service could be permanently maintained with efficiency, he directed the establishment of the first regular air mail route between New York and Washington, effective May 15, 1918.

Col. E. A. Deeds, chief signal officer and head of the military air service, expressed the fullest confidence in the plans of the Postmaster General, and urged that the Army be permitted to operate the line, in order to utilize the air mail operations for the final training of American flyers and mechanics in cross-country work before sending them to France. Accordingly, the operations were turned over to the Army on an agreement that the flights be made with that degree of regularity necessary for maintaining a dependable mail schedule.

About two weeks before the date set for the inauguration of the air mail service Col. Goodyear, then in charge of training and to whom was assigned the operation of the air mail, called upon the Second Assistant Postmaster General, in company with Col. Bloomfield, an English aviator, to persuade the postal authorities to recall their decision to operate the air mail, on the ground that the service could not be run in bad weather. The Post Office Department refused to recede from its position, and Col. Goodyear was informed that if the military authorities refused to carry out their part of the agreement made between the War Department and the Post Office Department, the Postmaster General would proceed with the purchase of equipment and operate the service with civilian flyers and mechanics.

The military authorities therefore proceeded with the inauguration of the work. The postal authorities, however, felt that with such antagonistic sentiment prevailing among the Army men who would be directly charged with the conduct of the air mail operations the service would be certain to fail in the end, notwithstanding the whole-hearted support given to the Post Office Department by the Secretary of War and the heads of the War Department. For that reason the Postmaster General purchased the necessary equipment for an air mail service, to be ready to relieve the Army of the air mail operations whenever the Army no longer desired to operate it, or was not in a position, by reason of the demands of the war, to operate the service in a manner to properly maintain mail schedules.

The Army placed Maj. Reuben H. Fleet in charge of the service. His tireless and efficient work gave the air mail a satisfactory start, but after the service had been in operation 10 days Maj. Fleet was detailed for other service elsewhere. The Army operated the air mail from May 15 to August 10, a period of 2 months and 25 days. In that time the service was in the hands of four different military heads, as follows:

Maj. Reuben H. Fleet until May 25; Capt. C. A. Willoughby, May 25 to July 24; Lieut. —, July 24 to July 31; and Lieut. George J. Kimberg, July 31 to August 10. In that period—75 days—the air mail defaulted 13 trips on account of weather, failed to complete 13 trips on account of motor trouble or accidents, and had 20 forced landings. This was a record of 26 failures, or only 90.3 per cent of trips performed in summer flying. The prospects of the possible result in winter weather were very gloomy. During the month of July an agreement was reached with the War Department for the Post Office Department to take over the service and operate it with its own force of fliers and mechanics. In the entire Air Mail Service over the mountains, in the Great Lakes region, and along the Atlantic seaboard, covering a period of 16 months since August 10, 1918, when the Post Office Department took over the operations of the routes, only 30 out of 2,130 possible trips, or 3.75 per cent, were defaulted on account of weather conditions or trouble with equipment. Out of a possible mileage of 488,940, a total of 456,673 miles were flown, making a performance of 93.4 per cent, for 16 months continuous operation in all characters of country and all seasons of the year.

#### AIR MAIL EQUIPMENT.

The air mail operated 12 months with small Army training planes that carried 200 pounds of letters and could maintain a fairly satisfactory speed schedule of 70 miles an hour. After the close of the war, the Post Office Department obtained from the War Department and the Navy Department 100 De Havilland planes capable of carrying 400 pounds of letters and maintaining a steady speed schedule of better than 80 miles an hour. Only a portion of these planes are in actual use, the bulk of them being held as reserve for future needs. In order to insure greater certainty of operations and to make greater savings on train distribution and carriage of letters, the department has purchased 11 twin motor planes carrying 1,500 pounds or more of letters, and is converting 15 De Havillands into twin motor planes. These twin De Havilland planes will eliminate the fire risk usually present in single motor planes in which the engine and gas tanks are housed close together in one fuselage, will continue to destination with the loss of one motor, and will carry 800 pounds of mail instead of 400 now carried in a single motor De Havilland.

The air mail is operating out of its own landing fields adjoining Washington, Philadelphia, Newark, N. J., Bellefonte, Pa., Cleveland, Ohio, and Chicago.

In the service are 28 pilots and 121 field employees, including trained airplane mechanics. Pilots enter the service at \$2,000 per annum, with automatic increases at the rate of \$200 per year for each 30 hours of satisfactory flying, the top salary for pilots being \$3,600 per year. The top salary for mechanics is \$2,000 per year. All landing fields used in the Air Mail Service, except at Washington and Philadelphia, where a nominal rent is paid, have been contributed wholly or in part either by the municipalities or the business men of the communities to which the air mail is operated.

#### COMMUNITIES DESIRING AIR MAIL.

I beg to expressly direct your attention to the interest that is being manifested throughout the country in the development of this service as is shown by the applications transmitted to the Post Office Department by Members of Congress, city councils, and commercial organizations for the extension of the air mail to the following named points: Alaska; Arkansas City, Kans.; Akron, Ohio; Atlanta, Ga.; Austin, Tex.; Adrian, Mich.; Albany, N. Y.; Argo, La.; Alva, Okla.; Altus, Okla.; Binghamton, N. Y.; Baltimore, Md.; Boise, Idaho; Boonville, Mo.; Bedford, Mass.; Bridgeport, Conn.; Boston, Mass.; Birmingham, Ala.; Bartlesville, Okla.; Bryan, Ohio; Buffalo, N. Y.; Chicago, Ill.; Canton, Ohio; Corning, N. Y.; Charleston, W. Va.; Corinth, Miss.; Corsicana, Tex.; Cheyenne, Wyo.; Chesterfield, S. C.; Concord, N. H.; Charlotte, N. C.; Covington, Ky.; Cleveland, Tenn.; Council Bluffs, Iowa; Chickasha, Okla.; Detroit, Mich.; Denver, Colo.; Dallas, Tex.; Elizabeth, N. J.; Eldorado, Kans.; Eau Claire, Wis.; Eureka, Calif.; Enid, Okla.; El Reno, Okla.; Elmira, N. Y.; Fort Smith, Ark.; Flint, Mich.; Gastonia, N. C.; Gainesville, N. C.; Grand Rapids, Mich.; Habana, Cuba; Hartford, Conn.; Haverhill, Mass.; Hobart, Okla.; Indianapolis, Ind.; Ithaca, N. Y.; Joplin, Mo.; Jefferson Barracks, Mo.; Key West, Fla.; Kendallville, Ind.; Kansas City, Mo.; Kelleys Island, Ohio; Lexington, Ky.; Lorain, Ohio; Livingston, Mont.; Ladysmith, Wis.; Little Rock, Ark.;



Lordsburg, N. Mex.; Little Falls, N. Y.; Los Angeles, Calif.; Lake Charles, La.; Lawton, Okla.; La Crosse, Wis.; Minneapolis, Minn.; Madison, Wis.; Memphis, Tenn.; Millington, Tenn.; Marion, Ohio; Mangum, Okla.; Marshall, Mich.; Muskogee, Okla.; Marlin, Tex.; Mason City, Iowa; Mobile, Ala.; Montgomery, Ala.; Muskegon, Mich.; Morehead City, N. C.; Milwaukee, Wis.; New York City; New Orleans, La.; Nantucket, Mass.; Navasota, Tex.; Nashville, Tenn.; New Britain, Conn.; Omaha, Nebr.; Oklahoma City, Okla.; Ogden, Utah; Oakley, Kans.; Pittsburgh, Pa.; Philadelphia, Pa.; Parsons, Kans.; Phoenix, Ariz.; Pensacola, Fla.; Panama Canal Zone; Pasadena, Calif.; Quincy, Ill.; Rome, Ga.; Rochester, N. Y.; Spartanburg, S. C.; Scranton, Pa.; St. Paul, Minn.; St. Louis, Mo.; Sioux Falls, S. Dak.; Salt Lake City, Utah; Seattle, Wash.; San Francisco, Calif.; Temple, Tex.; Toledo, Ohio; Tulsa, Okla.; Tampa, Fla.; Texarkana, Tex.; Takoma, Wash.; Union City, Tenn.; Wheeling, W. Va.; Waterbury, Conn.; Worcester, Mass.; Wilkes-Barre, Pa.; Winona, Minn.; Woodward, Okla.

In conclusion may I be permitted also to direct your attention to the fact that the Post Office Department was not invited to appear before any of the committees of Congress considering the two bills vitally affecting the air mail, with the result that what little information the committees elicited to enlighten Congress about the extension and successful operations of the air mail was obtained from military fliers and airplane manufacturers favorable to legislation which specifically provides for taking from the Post Office Department the air mail and all of its functions pertaining to aeronautics.

Sincerely, yours,

A. S. BURLESON.

#### LEAGUE OF NATIONS.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the Record an editorial in the American Economist concerning the treaty situation, being a brief extract from an editorial of Mr. Bryan's, as well as one or two other quotations which I will furnish now, and some hereafter.

There being no objection, the editorial referred to was ordered to be printed in the Record, as follows:

#### BRYAN ON THE LEAGUE OF NATIONS.

"We have differed from William Jennings Bryan so often that it is a pleasure to find ourselves able to agree with him on one important subject. In his paper, The Commoner, he has this to say concerning the attitude of the Senate minority anent the peace treaty and the league of nations:

"Is ratification to be defeated by a Democratic minority? Can the Democrats hope to escape responsibility if they prevent a compromise? It is mockery to talk about favoring a league of nations if we favor only such a league as is satisfactory to a minority of the Senate. We can not go before the people on such an issue. The Senate is a constitutional body, and the right of a majority to rule applies there as elsewhere. The people can change the Senate if they do not approve of its course, but a minority of the Senate can not disregard the will of the majority."

Mr. GORE. Demosthenes said more than 2,000 years ago:

Law and justice require that you hear both sides alike.  
Let only truth accuse. Let only justice judge.  
Speak truth to the people in the presence of the king, and speak truth to the king in the presence of the people.  
He who saves his country saves all things, and all things saved will bless him. He who lets his country die lets all things die, and all things dead curse him.

American first. Seniority counts.

#### STREET RAILWAY CONDITIONS IN THE DISTRICT.

Mr. DIAL. Mr. President, we have been talking a good deal here about bettering conditions in the world. This is a new year, and I think it is a good time to make new resolutions to improve conditions in the District of Columbia, in which we are all so much interested. I have in mind more particularly improvement with reference to the street railway situation in the District. I do not believe especially in complaining, but as we are starting out on a new year I think the situation referred to ought to be remedied. I have been a passenger on the street car lines here recently, I think, seven times, and as I recall six out of the seven times the cars stalled, and the passengers did not get to their destinations on time.

There is no reason in the world why we should not have a magnificent system of railways in the District of Columbia. If any city in the world ought to have one, the city of Washington ought to have it. I am sorry for anybody who has to operate machinery. I was once engaged in that business to some extent myself and it is a pretty difficult proposition. You can not make machinery perfect, but there is no excuse whatever for the manner in which the street railway systems are operated here. The other night, going home, I counted 13 cars which were stalled on the track.

Mr. THOMAS. Mr. President, does not the Senator know that these companies are carrying a tremendous overload of water and have to stall sometimes?

Mr. DIAL. The cars to which I refer were stalled empty; 13 of them were on the tracks standing still. The companies can not make money for the stockholders in that way, and they can not serve the public in that way. Yesterday morning on one of the cars sitting in front of me were a lady and a little child trying to reach the depot. They would have had plenty of time if the car had gone on, but they had to get out and hire a taxi, and thus spend some extra money in the District. In front of them was a gentleman with his bag. He said he had been all the way to New Orleans and was trying to get back on time to Philadelphia. He could not see a taxi in sight, so he said he would have to miss his train and miss his engagement in Philadelphia.

Mr. President, the street railway systems here want more money; they say they can not run the cars under the present rate of fare and that they ought to have an increase. I do not care whether it is much or little; they ought to be paid a reasonable compensation; but some authority ought to see that they are doing their duty. They have the tracks; they have the current; they have the cars; but, due to some mismanagement or something of that sort, the systems do not seem to function properly. In saying this I do not claim to be an expert. I do know, however, that when a company gets a franchise it ought to use that franchise for the interest of the people, and if the street railways of Washington can not do that on the present rate of fare the rate should be increased.

It is a very serious matter. We can not get to our engagements on time. Some of us ride in automobiles, but I myself usually walk or ride on the street cars, and I would like to be able to get to my destination on time. Frequently, however, that is impossible on account of delays. One man's time is worth as much to him as is the time of another, and therefore we ought to be prompt in our engagements. I think that the District of Columbia Committee ought to take up the matter, and if the railroad companies of the District can not be properly operated, put them into the hands of receivers or put them out of business, or take some steps which will make them render better service.

Mr. JOHNSON of South Dakota. Mr. President, I should like to ask the Senator if he does not think it would be a good idea to guarantee them a certain rate of return on their capital as well as watered stock, as we have done in the case of the railroads under the bill recently passed?

Mr. DIAL. I do not know about that; that is a different question; but if the street railway companies do not render better service some drastic action should be taken.

#### WAR RISK INSURANCE BUREAU.

Mr. SMOOT. Mr. President, I ask unanimous consent of the Senate to make a statement in connection with a bill I am about to introduce to abolish the Bureau of War Risk Insurance. If that consent is given, I should like very much to have Senators listen to what I have to say in relation to this important measure.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator if it will be a lengthy statement?

Mr. SMOOT. No; it will not be very long; I have condensed it as much as I could.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Utah? The Chair hears none.

Mr. SMOOT. Mr. President, I introduce the bill at this time, The bill (S. 3657) to abolish the Bureau of War Risk Insurance and to confer the jurisdiction of allotments and family allowances, of compensation for death or disability, and of war-risk insurance upon other establishments, and for other purposes, was read twice by its title.

Mr. SMOOT. Mr. President, in presenting this bill it may not be inappropriate to review the considerations which have prompted me in introducing the bill and to outline with more definiteness than is apparent in the bill what savings and economies of administration may reasonably be expected to result therefrom.

Mr. THOMAS. Mr. President, I suggest the Senator suspend until private conversations are ended in the Chamber.

Mr. SMOOT. I should like to have the attention of the Senate. I know it is not very often the case that a proposition is presented to the Senate for the purpose not only of improving the work done by a Government agency but of saving millions of dollars by so doing, and if I can not convince the Senate that that will be the result of the bill introduced by me I want every Senator to vote against the bill.

The act of October 6, 1917, known as the war-risk insurance act, resulted in placing upon the Director of the Bureau of War Risk Insurance the responsibility for administering four almost entirely distinct functions of the Government, necessitated by our participation in the war with Germany. They were: (a) The payment of allotments and family allowances

to dependents of the enlisted personnel of the Army and Navy; (b) the payment of compensation to officers and enlisted men, or their dependents, for disability or death resulting from service with the armed forces of the country; (c) the insurance of officers and enlisted men against death or total permanent disability; and (d) the insurance of American vessels against loss or damage by the risks of war.

It has been said that the war-risk insurance act was enacted in haste and with inadequate deliberation, under the stress of the war emergency, which, Mr. President, I am perfectly willing to say is the fact, as Senators interested in that legislation well know.

At any rate the combination under a single administration of these quite unrelated functions, necessitating the admittedly unwieldy organization of the Bureau of War Risk Insurance, has not been satisfactory, although it is believed that in the main the functions entrusted to this bureau have been as effectively performed as was possible under the system established by law.

I have no feeling whatever against any officer of the bureau, nor have I any feeling against any employee, but all must admit that the work the bureau is doing to-day and which it has been doing in the past is not what Congress intended should be done, nor have the results been what the soldiers had a reason and a right to expect.

In the light of experience there now seems to be no question but that these functions should have been entrusted so far as possible to existing agencies of the Government already experienced in the performance of similar duties. The War and Navy Departments have for many years maintained allotment offices for the purpose of paying allotments to dependents of soldiers and sailors. The Bureau of Pensions has for generations paid compensation to soldiers and their dependents, although under a different name and under different regulations than prescribed in the compensation provisions of the war-risk insurance act. Much experimentation and confusion would certainly have been avoided had the responsibility for administering the allotment and allowance and compensation features of the war-risk legislation been placed upon these agencies. Only in the case of insurance was there any necessity for the establishment of new machinery. Moreover, the creation of the Bureau of War Risk Insurance not only resulted in a needless duplication of existing agencies but its establishment as an organization entirely separate from the War and Navy Departments, although practically dependent upon those departments for the information upon which its actions were taken, inevitably resulted in countless errors, delays, and misunderstandings.

While the war was in progress it would undoubtedly have been unwise to distribute to other agencies the functions being performed by the Bureau of War Risk Insurance. But for practical purposes the war is over, and it now becomes appropriate to give consideration to the program which the Government should follow with a view to obtaining the most economical and effective administration possible in the discharge of the obligations which it has incurred under the war-risk insurance act and its amendments.

Moreover, as a result of the termination of the war and the consequent demobilization of our armed forces, changes in the nature of the duties of the Bureau of War Risk Insurance have occurred, of such consequence that, without regard to the degree of effectiveness of that bureau during the war period, it is doubtful whether it is now or can be under existing law organized to perform effectively certain of the new duties imposed upon it.

To all intents and purposes war-risk allotments and allowances have been terminated. There remains in force at this time but an insignificant proportion of the millions of awards upon which payments were made during the course of the war. The Bureau of War Risk Insurance is now principally concerned in the review, adjudication, and settlement of cases involving accounting differences between the Government and allottees or their dependents, work which of necessity involves constant contact with and reference to the records of the military branches of the service.

The most radical change in the character of the work of the War Risk Insurance Bureau is to be noted, however, in the transformation of the conditions affecting military and naval insurance. During the period of the war the operations of the bureau with respect to this class of insurance were, practically speaking, restricted to receiving and recording applications for insurance and issuing certificates therefor. Premiums were collected by the War and Navy Departments. These agencies furnished the sole means of contact between the War Risk Bureau and insured persons or persons desiring insurance. Few individuals paid premiums direct to the bureau. Thus relieved of the necessity of carrying on the two principal activities essential in the conduct of private life insurance business—that is, solici-

tation of prospects and the collection of and accounting for premiums—the insurance branch of the War Risk Bureau became in reality merely a record division, and it was organized as such. With the termination of the war, however, and the return of insured men to private life the War Risk Bureau was abruptly confronted with the necessity of taking up the real work of life insurance, and, since it had suddenly been stripped of its collecting and contact agencies, to take up itself the problems relating to the collection of and accounting for insurance premiums and to the conservation of the insurance on its books. How far short of success in the conduct of these matters the bureau fell may perhaps be accurately gauged by a consideration of the relatively small amount of insurance which remains in force at this time. It is not to be presumed, of course, that this condition is wholly traceable to faulty organization. Under the most favorable conditions the lapse rate would have been high, for it must be remembered that the taking of insurance by the enlisted personnel of the Army and Navy was practically compulsory. And yet there is no doubt but that in the inadequate provision made to insured persons of facilities for the payment of premiums after their separation from the military service and for the reinstatement of lapsed insurance is found a principal cause for the wholesale abandonment of Government insurance by discharged soldiers and sailors. It may be conceded that during the period of the war the Bureau of War Risk Insurance functioned effectively as a records branch for insurance policies written upon the lives of soldiers and sailors. But it seems equally certain that that bureau, lacking, as it does, instrumentalities to facilitate generally a personal contact with insured persons and specifically the payment of insurance premiums by such persons, can not hope to achieve success in the administration of a real insurance business, especially since its clientele is largely composed of persons coming within the class usually insuring themselves under so-called industrial policies.

The following summary of the proposed bill is submitted to facilitate an understanding of its provisions:

Section 1 provides that the Bureau of War Risk Insurance shall cease to have the jurisdiction, powers, and duties conferred upon it by previous legislation.

Section 2 provides that allotments and allowances shall be administered by the War Department, the Navy Department, and the Coast Guard, respectively.

Section 3 transfers jurisdiction over the adjudication and payment of claims for compensation to the Commissioner of Pensions.

Section 4 transfers the administration of the military and naval insurance features to the Post Office Department.

Section 5 transfers to the Shipping Board the administration of the marine insurance functions.

Section 6 authorizes the Secretary of the Treasury to apportion the appropriations made for the Bureau of War Risk Insurance among the several departments to which the functions of the bureau are assigned.

Section 7 provides for the creation of a committee of five members, representing the Treasury, War, Navy, Interior, and Post Office Departments to supervise the distribution of the files, records, papers, furniture, and personnel of the bureau among the several departments.

Section 8 establishes the effective date of the proposed changes.

Section 9 repeals all acts or parts of acts inconsistent with this legislation.

The following tabulation shows the status of the allotment and allowance business of the War Risk Bureau as it stood on December 15, 1919:

Item. (Figures given are approximate.)	Army, Marine Corps, etc.	Navy.	Total.
Awards in force.....	23,000	34,000	57,000
Awards in suspense or in process of adjustment.....	68,000	15,000	83,000
Awards closed.....	1,757,000	171,000	1,928,000
Total awards made.....	1,848,000	220,000	2,068,000

The proposed bill contemplates that this feature of the work of the Bureau of War Risk Insurance shall be transferred to the War Department, the Navy Department, and the Coast Guard. By way of illustration, the transfer to the War Department will result as follows: Approximately 23,000 active war-risk allotments and allowances will be merged with some 25,000 ordinary allotments, which is about the number now running in the Army, and thereafter both classes of allotments will be administered by the same agency; about 68,000 of the war-risk cases above described as in suspense or in process of adjustment will be merged with the cases of ordinary allot-



ments having similar status, and the two classes will be adjudicated and settled together; the files relating to approximately one and three-quarters millions closed war-risk cases will be merged with the files in about 1,200,000 closed cases of ordinary allotments, a procedure which will automatically result in lodging in the same file jacket the entire allotment history of each enlisted man serving in the Army during the late war; and finally there will be placed in this file all application forms filled out by enlisted men of the Army who had no dependents and who consequently made no war-risk allotments. The transfer to the Navy Department and to the Coast Guard would be similar but, of course, on a smaller scale.

No more convincing evidence can be found concerning the impropriety of intrusting the payment of war-risk allotments and allowances for both Army and Navy to a single agency, separate from the military services, than exists in the organization set up by the Bureau of War Risk Insurance itself to administer allotments and allowances. It might be imagined from a consideration of the arguments presented for the perpetuation of that bureau that Army allotments and allowances and Navy allotments and allowances must now pass through the same hands, follow the same channels, be administered together by the same personnel; in other words, that this independent agency has been able effectually to separate the war risk allotment and allowance business from the two branches of the military service and administer it in a single unit of organization entirely independent of the War and Navy Departments. However, such is not the case. We find to-day in the allotment and allowance division of the War Risk Bureau what is in reality an Army section, which deals only with Army cases, with application-files units, award-card-files units, a correspondence branch, a stenographic branch, a special service branch, a reviewing branch, and so on; and we find also a Navy section, which deals only with Navy cases and which in organization is the practical counterpart of the Army section. These are, practically speaking, unrelated sections, without common ground except for the fact that a single index has been set up for the application files of both sections, and both are served by the same supply and personnel sections.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. SMOOT. Yes; I yield.

Mr. NORRIS. Without intending to offer any criticism, but for the purpose of having the subject more definitely elucidated, I want to ask the Senator if, instead of abolishing this particular part of the work, as his bill contemplates, it could not be perfected by doing what the Senator says the ordinary person would suppose was being done—having the work of the Navy and the Army combined under one head instead of separated as it is now?

Mr. SMOOT. I will say to the Senator that the only way in which that can be done is to have the allotment and allowance division transferred to the War and Navy Departments, as all the information as to the soldier and the sailor and the marine has to come to the Army and the Navy Departments in the first place and must be transferred as at present, and would be unless the transfer is made in the future to whatever agency is created for the purpose of taking care of these allotments and allowances. It is therefore a duplication of work, and in that duplication the mistakes have been made that have caused so much suffering among the dependents of the soldiers during the whole period of the war.

Mr. NORRIS. I understand that; but the Senator himself, in starting out on that particular branch of the matter, said that the ordinary person would suppose that the cases from the Army and the Navy would be handled by one head, and then he proceeded to show that under existing conditions they are not so handled. Now, why can they not be so handled, and why should they not be?

Mr. SMOOT. I will say to the Senator that it is impossible to handle them without duplicate work unless the work is transferred to the War and Navy Departments. To-day they handle the allotments and allowances of the Regular Army, and they have a complete organization, not only in the War Department but in the Navy Department, and all of these allotments and allowances should now be handled by those two departments.

Mr. NORRIS. I do not think the Senator gets the point I am trying to make. I realize that what the Senator says is also true, and again I want to say that I am not making these suggestions in any critical spirit.

Mr. SMOOT. Yes; I understand.

Mr. NORRIS. But the Senator started out by saying that it would be supposed that the allowances and allotments of the Navy and the allowances and allotments of the Army would be under the War Risk Insurance Bureau, handled by the same

division, so that it would all be under one head, and he says they are not so handled now.

Mr. SMOOT. I said, "However, such is not the case."

Mr. NORRIS. I understand. The Senator said that was not the case. But would not the criticism which the Senator makes under present conditions be answered by having them so handled that it would be the case?

Mr. SMOOT. I can not see how it would be possible, without duplication, under the requirements made under existing law; or, in other words, there is no soldier but is under the direct charge of the officers in the field, and all reports of the soldier's condition is first made to the War Department before any allotment and allowance is made.

Mr. NORRIS. Let me see if I can make myself plain. Under existing conditions in the War Risk Bureau there is one division that handles allotments from the Army.

Mr. SMOOT. Allotments and allowances.

Mr. NORRIS. Allotments and allowances from the Army; and another division that handles allotments and allowances from the Navy.

Mr. SMOOT. That is correct.

Mr. NORRIS. Why could they not both be handled by the same division?

Mr. SMOOT. Within the War Risk?

Mr. NORRIS. Yes.

Mr. SMOOT. That could be done.

Mr. NORRIS. At least that would be one way of avoiding the difficulty.

Mr. SMOOT. That is, avoiding a part of the difficulty.

Mr. NORRIS. Yes; a part of it.

Mr. SMOOT. But it is only a part of it, I will say to the Senator.

Mr. NORRIS. I think myself it is not all of it.

Mr. SMOOT. I do not want to take the time of the Senate to go into the details as to the number of employees that would be required if these changes were made, as compared with the number of employees that the War Risk Bureau has to-day. But I will assure the Senator I will put the figures in the Record.

This organization, as I have just outlined, Mr. President, is logical and necessary and must be perpetuated so long as the War Risk Bureau functions. This is an important consideration in connection with the proposal to transfer the allotment and allowance work to the military service, inasmuch as the existing arrangement lends itself perfectly to the transfer. Except for the insignificant number of Coast Guard and Marine Corps cases, the Army section and the Navy section may be transferred in toto to the War Department and the Navy Department, respectively. Since the transfer would result in the permanent consolidation of the records, which under the existing arrangements are constantly required to be brought together for comparison in specific cases, material economy in the pay roll, in addition to the obvious saving of overhead, would be effected.

Mr. CHAMBERLAIN. How does the Senator know that the men and women who are working in the War Risk Insurance Bureau would not be transferred to these several departments at the same time the records were transferred? The Senator knows that each one of these departments that are now functioning claims every session of Congress that they need more help.

Mr. SMOOT. I will say to the Senator that I have here a list of the employees that the officials of these departments have stated they would require in case the activities outlined in the bill were transferred to their departments; and Senators know there is not one of them but what would give an estimate calling for the highest number. Just in passing I will say that on December 15, 1919, there were employed in the Bureau of War Risk Insurance 13,111 employees, and with the transfers made as outlined in the bill, all that would be necessary would be 6,962 employees, according to the statements made by officials of the departments as to the number of employees they want in case the transfers are made. I will assure every Senator that the work will be done better after the transfers are made than it is being done to-day, and the reasons are obvious. What I want to do is to get a service that will be acceptable to the soldier, to his dependents, and to those beneficiaries in case of his death who are entitled to reasonable service on the part of the Government.

A conservative estimate of the saving in personnel which would immediately result is 800 on the basis of the present total force of 2,654 in the allotment and allowance division, and 306 in other divisions who are engaged, directly or indirectly, in allotment or allowance work.

Mr. NORRIS. Mr. President, I would like to have the Senator make a little more plain just what the War Department, for instance, is doing in this same line; and why, under the law, it is necessary for the War Department or the Navy Department each to keep up separate organizations for this work that is in part being done by the War Risk. The Senator has said that these transfers would go to bureaus in these several departments where they are already kept up, and have been. Why have they been kept up, and why has it been necessary in the past to have separate bureaus independent of the War Risk doing the same kind of work?

Mr. SMOOT. The reason for that was, Mr. President, that all reports of a soldier in the Army, no matter where he may be, must be made to the War Department, and the soldier's record is there found complete. The history of the soldier from the day he enlists to the day that he dies, is released, or leaves the Army is found in one place, and allowances under certain conditions were made to soldiers by the War Department before the passage of the act of October 6, 1917. But when we passed the war-risk insurance act on October 6, 1917, different provisions for the payment of allotments and allowances to the soldiers were made. It was six months after America had entered the war, and it was to take care of the soldiers who joined the Army, Navy, or Marine Corps. The law provided, first, a family allowance and allotment; second, an insurance feature; and, third, a compensation, or, in other words, a pension.

Mr. NORRIS. The War Department did not do anything about the insurance feature.

Mr. SMOOT. It had nothing to do with the insurance feature, as that was a new undertaking on the part of the Government.

Mr. NORRIS. When the War Risk Bureau wanted to get information in regard to a soldier, for instance, in the Army, it had to get it from that bureau in the War Department.

Mr. SMOOT. They would have to get it from the War Department. They received the information they based their decision for allotments upon from the War Department. They had to go to the War Department for the evidence upon which to base any claim made by a soldier.

Mr. NORRIS. The Senator's bill proposes that the War Department itself shall attend to all that?

Mr. SMOOT. That the War Department, as to the allotment and allowance, shall attend to every case; and I will say to the Senator now that there are only something like 23,000 cases of awards in force to-day. The family allotment and allowance is virtually through with, and therefore I want to see it transferred to the War Department, where the agencies are in existence to take care of soldiers in the regular way.

It will be borne in mind that the provisions of war-risk insurance legislation relating to compensation are extremely complicated and difficult of administration, by comparison with the provisions of existing pension laws. Pending the coordination of compensation provisions with those now governing the payment of pensions, no material saving in personnel, except for overhead, may be expected to result from the transfer to the Pension Bureau of that portion of the work of the Bureau of War Risk Insurance which appertains to the adjudication and payment of claims for compensation. The following table shows the status of that feature on December 5, 1919:

Item.	Death claims.	Disability claims.	Total.
Awards made.....	37,552	102,761	140,316
Cases closed.....	1,167	22,578	23,745
Awards in force.....	36,385	80,186	116,571
Claims disallowed.....	73,285	23,153	96,438
Claims pending.....			88,238
Total claims received.....			324,992

Under the proposed bill the 116,571 awards in force and the 88,238 pending claims will be transferred to the Bureau of Pensions, which is now making payment in more than 600,000 cases.

The life insurance functions of the Bureau of War Risk Insurance, including the collection of and accounting for premiums, the adjudication and payment of claims, and the conversion of policies, it is proposed to transfer to the Post Office Department, which maintains agents in all sections of the country, however remote. The considerations which have prompted this proposal have been outlined above. It should, however, be said that the installation by the Post Office Department of a proper plan for the collection of insurance premiums would not merely aid

in the restoration and conservation of the insurance; it would in addition eliminate the principal difficulties now attending the accounting for premiums collected and so simplify that task as to result in substantial pay-roll economies.

The proposal to transfer the marine and seamen's division of the Bureau of War Risk Insurance to the Shipping Board is of relatively small importance, since the work of that division, which now has a pay roll of but 12 employees, has practically ceased.

Attention is invited to the following table, which indicates the number of employees on the pay roll of the Bureau of War Risk Insurance at the time our investigations were undertaken on October 23, 1919, the number on the pay roll on December 15, 1919, and the annual cost of that pay roll.

I am going to ask that this table shall be printed in the RECORD.

Mr. NORRIS. I wish the Senator would give his totals from it. I would like to ask a few questions touching it.

Mr. SMOOT. This is the pay-roll summary, and the table shows that the employees on October 23, 1919, were 15,419.

Mr. NORRIS. That is just the insurance?

Mr. SMOOT. No; that is the whole bureau. I will say to the Senator that it was some time in September when I first called attention to the great number of employees at the bureau and the work that was being done, based upon the complaints by thousands and thousands of soldiers throughout the United States. At that time the bureau had 15,419 employees.

I want to say in passing that the director of the bureau promised me about the 10th day of December that on the 1st day of January—this month—the employees would have been decreased from 15,419 as of October 23, 1919, to 10,000 employees. I have not heard as to whether the number has been decreased to 10,000 or not. But I understand it is nearly down to that figure. I want to say in passing, however, that that is not a sufficient reduction. There is no doubt that if the bureau were reorganized better work could be done and the soldiers of the country better served if they had but 7,000 efficient employees in that bureau, but I make that statement based upon the requirement of a complete reorganization of the bureau.

Mr. THOMAS. I think that is unquestionably true, but does the Senator really believe that it will be possible to affect such a reduction?

Mr. SMOOT. If I did, I will say to the Senator frankly that I would not be undertaking to abolish the bureau, but I do not believe it is going to be done unless by new legislation.

Mr. THOMAS. I am in hearty sympathy with the Senator's purposes. In so far as I am able to judge, his argument is convincing; but the large number of employees who will be thrown out of a job in the event his bill is passed, to my mind, constitutes an insuperable obstacle to its success.

We know that every Member of the Senate and every Member of the House will be besieged by individual employees from their respective States and districts urging them to take care of their particular people, and it is a pretty hard appeal to resist. We have had some evidences of it. As a consequence, the chances are that instead of affecting a reduction to 7,000 employees, the 15,000 will, in all probability, be increased to 17,500, and perhaps more, and of course with every increase there is a decrease in the efficiency of the service rendered. It is one of the unfortunate obstacles to economy under our form of Government.

I hope the Senator will succeed, but I am not at all hopeful of doing anything in view of that condition.

Mr. SMOOT. I will say to the Senator that only two weeks ago, while they were discharging employees from the War Risk Bureau as agreed to by the director, there was printed in all parts of the United States a call for 3,000 employees to come to Washington to secure positions in the Census Bureau. There was not a paper in my State that did not have an announcement in it calling attention to the fact that the Census Bureau wanted at least 3,000 additional clerks here in Washington.

Mr. NORRIS. The employees of the War Risk Insurance Bureau were not selected as carefully as they probably would have been selected had there been more time. I can see how we ought to excuse a good many faults in the system. Now, the probabilities are that a great many of those employees would not be suitable, if the Senator is thinking about transferring them to the Census Bureau. As I understand it, the census employees will be selected under the civil-service rules, while these employees, or a great many of them, were not so selected. Is not that true?

Mr. SMOOT. It is true; but I am sorry to say, from information I have received, that some of the employees in the War Risk Bureau who are the least efficient remain there and some of the



very best employees in that department have been discharged. The efficient ones did not have "the pull," as the Senator from Colorado says.

Mr. NORRIS. Is not that always the result where we go outside of the civil-service law and allow heads of departments to select the army of employees without regard to the civil-service law? We must expect those to stay in who have "the pull," and that does not always mean that the efficient ones stay in.

Mr. SMOOT. The Senator is correct in that.

Referring again to the question propounded by the Senator from Nebraska as to a summary of the pay roll, from October 23, 1919, the employees were reduced from 15,419 down to 13,111 on December 15, 1919. The monthly pay roll, including the field force, amounts to \$1,380,653.96. The yearly rate was \$16,567,847.52. The average annual salary of the field force was \$1,857. The grand total—that is, of those in Washington and the field force—shows an average salary of \$1,264 in the bureau.

Mr. President, I also have a comparison of the number of employees on the pay roll of the Bureau of War Risk Insurance December 15, 1919, with the estimated number of employees required to carry on the same work under the plan of the bill which I have just introduced. I will just give the totals again, but I want to have it incorporated in the Record, as it gives each division and under those divisions the functions of each of the divisions.

The VICE PRESIDENT. Without objection, it is so ordered. The tables referred to are as follows:

Pay-roll summary.

Division.	Em- ployees Oct. 23, 1919.	Employees Dec. 15, 1919.			Average annual salary.
		Num- ber.	Monthly pay roll.	Yearly rate.	
1. Actuarial.....	541	512	\$54,074.06	\$648,888.72	\$1,267
2. Administration.....	382	363	38,472.82	461,673.84	1,272
3. Allotment and allowance.....	3,716	2,654	296,968.36	3,563,620.32	1,343
4. Chief clerk.....	359	265	26,488.12	317,857.44	871
5. Compensation.....	1,960	1,575	180,416.12	2,164,993.44	1,375
6. Detail.....	71	60	6,148.60	73,783.20	1,230
7. Director.....	45	40	6,881.10	82,573.20	2,055
8. Finance.....	130	132	14,993.96	179,927.52	1,368
9. Insurance.....	5,363	4,434	466,164.90	5,593,978.80	1,262
10. Legal.....	387	336	42,327.26	507,927.12	1,512
11. Liaison.....	16	68	3,080.60	36,967.20	1,426
12. Marine.....	9	12	1,346.32	16,155.84	1,546
13. Medical.....	438	403	42,370.06	508,440.72	1,262
14. Personnel.....	217	218	24,936.88	299,242.56	1,373
15. Receipts and disburse- ments.....	1,679	1,821	152,758.10	1,833,097.20	1,007
Total.....	15,314	12,993	1,363,397.26	16,348,767.12	1,258
Field force.....	165	118	18,256.70	219,080.40	1,857
Grand total.....	15,419	13,111	1,380,653.96	16,567,847.52	1,264

Comparison of number of employees on pay roll of the Bureau of War Risk Insurance Dec. 15, 1919, with the estimated number of employees required to carry on the same work under the plan proposed.

Bureau of War Risk Insurance Dec. 15, 1919.		Estimated.	
Division. <sup>1</sup>	Employees.	Function. <sup>1</sup>	Employees.
1. Actuarial.....	512	1. Allotment and allow- ance (to be divided among the War De- partment, Navy De- partment, and Coast Guard).....	2,150
2. Administration.....	363	2. Compensation (to be transferred to the Bu- reau of Pensions).....	1,600
3. Allotment and allow- ance.....	2,654	3. Life Insurance (to be transferred to the Post Office Department).....	3,200
4. Chief clerk.....	265	4. Marine and Seamen's Insurance (to be trans- ferred to the Shipping Board).....	12
5. Compensation.....	1,575		
6. Detail.....	60		
7. Director.....	40		
8. Finance.....	132		
9. Insurance.....	4,434		
10. Legal.....	336		
11. Liaison.....	68		
12. Marine.....	12		
13. Medical.....	403		
14. Personnel.....	218		
15. Receipts and disburse- ments.....	1,821		
Field force.....	118		
Total.....	13,111	Total.....	6,962

<sup>1</sup> The distinction between the words "Division" and "Function" should be noted, the four functions included in the second column comprehending all the duties of the 15 divisions listed in the first column.

Mr. SMOOT. As it appears by the table, on December 15, 1919, there were 13,111 employees. Under the bill proposed by me, the total—and it is all that is asked by the depart-ments—is 6,962 employees.

Mr. OVERMAN. Mr. President, I should like to ask the Senator whether, in the making of these transfers, it will be necessary to create new divisions in the War Department, the Navy Department, the Shipping Board, and these other boards?

Mr. SMOOT. Not at all. The divisions are made in those departments to-day and doing similar work.

Mr. OVERMAN. Does the Senator think they can do the same work under the present organization with the divisions they now have?

Mr. SMOOT. There is no question about it. There will be no new division at all. Go into the War Department, I suggest to the Senator, and ask Gen. Lord. As the Senator knows, he is one of the men in the Government service who are capable of organizing help and who aim to conserve the public funds.

Mr. OVERMAN. I agree with the Senator, and I think there is something in what the Senator says.

Mr. SMOOT. In the Navy Department it will be the same.

Mr. OVERMAN. Is it the plan to take all these records over and do the same work without having to create a new division for this particular work?

Mr. SMOOT. Absolutely. Many of the records are there at present. The original records are sent there.

Mr. OVERMAN. But the War Risk records are not there. I know the record of the soldier is there, but the records of the War Risk Bureau will necessarily have to be transferred somewhere.

Mr. SMOOT. They will be transferred as the bill provides.

Mr. OVERMAN. To what division of the War Department will they be transferred?

Mr. SMOOT. To the War Department and to the Navy Department, allotments and allowances; to the Interior Department, compensation; and to the Post Office Department, insurance.

Mr. OVERMAN. Does the Senator think there will be no new chief of division? Does he think they will just be transferred there with the different employees?

Mr. SMOOT. If the Senator will take the time to read my remarks in the Record to-morrow morning and notice the table which I have just had incorporated in the Record he will see just the number of extra employees which the departments have asked for to take care of this very work.

Mr. OVERMAN. In view of the transfer?

Mr. SMOOT. Yes; in view of the transfer.

Mr. NORRIS. I wonder if the Senator from Utah will not have to modify a statement made in answer to the Senator from North Carolina as to whether it will not be necessary to have any new chief of division. I can see that the Senator will be correct as to the War Department and the Navy Department and the Pension Bureau probably; but take the Post Office Department, does not the Senator think that when the transfer is made there will have to be a division in the Post Office Department to look after the insurance?

Mr. SMOOT. No, I will say to the Senator; not at all.

Mr. NORRIS. They have not any division of that kind now.

Mr. SMOOT. What they will do will be to take a receipt for the monthly premium upon the insurance at the post office at which the soldier lives or at which he gets his mail. All the department will have to do will be to require that the allotment to every soldier shall be sent to the post office at which he resides and the amount of the monthly payment made, and that is reported to the Government by the postmaster just the same as if he sold so many stamps, but herein—

Mr. OVERMAN. To what department will they be sent?

Mr. SMOOT. To the Post Office Department.

Mr. OVERMAN. But they will have to go somewhere in the Post Office Department. As the Senator from Nebraska says, there is no work of this kind being done there, and therefore you will either have to establish a division for that particular work or take it under some division that already exists. What division exists in that department which can take care of this work?

Mr. SMOOT. I should perhaps modify the statement made to the Senator in this respect. There may be not a new division, but that work may be placed in a division already in the Post Office Department, with some specially qualified man who would be an employee from the number I have already stated that would be required.

Mr. NORRIS. There will be a great many of these, of course. They will handle all the insurance, and there will have to be somebody in the Post Office Department in Washington who will have charge of all the money that is coming in and to look after the details from all the post offices in the United States. I presume in some of the post offices in the large cities it will probably require the employment of some particular employee to look after it.

I think the Senator, while he will probably make a great saving, has exaggerated just a little by his statement that no new division or bureau in the Post Office Department will be necessary. I should think that the business accumulating here in Washington in the Post Office Department, if it amounts to what we all want it to amount to, would require the employment of quite a good many people, and a division or bureau in the Post Office Department would have to be established to look after it and do it properly.

Mr. SMOOT. The Postmaster General estimates for 3,200 additional employees to do the work. That is one-half of all the employees that is estimated for that will do the work that is being done now by the War Risk Bureau.

Mr. JOHNSON of South Dakota. Mr. President, I merely wish to ask the Senator whether he understands that under the provisions of the bill all the insurance of the soldiers all over the United States will be attended to by the local post offices?

Mr. SMOOT. That is, the premium payments can be made to the local post offices. Just for the information of the Senator I want to say that in the survey that has been made as to whether there would have to be an extra employee in every post office in the United States, the fact developed that the soldiers were distributed equally in every section of the country. Strangely, too, it developed that the deaths were almost equally distributed.

Another thing which it developed was that the allotments were about equally distributed according to numbers in all sections of the country. It developed that in many of the post offices, in a great number of them, there would be not more than eight or nine soldiers that would have to make payment of the premium monthly, and that work can be done by the employees they already have in the post office, without a question of doubt.

Why have 77 per cent of the soldiers allowed their insurance to lapse? There are some five or six reasons, but the one great reason is that soldiers have never had the experience of writing letters or doing business other than in person, and many of them that did write letters to the bureau never could get an answer.

Mr. NORRIS. That is true.

Mr. SMOOT. I had a case come into my office this morning. A soldier not only paid his insurance for the months past, but because he was going to leave his home he paid it up until June 30, 1920, but the War Risk Bureau has been after that man every month trying to get out of him the monthly payments of his premium that had already been paid.

I have copies of the letters which he has written to the bureau giving them exact copies of the receipts that they had given him, stating that the premium was paid until June 30, 1920; and yet they never ceased reminding him of his delinquencies. I have letters in which the bureau insists that men are dead when they are alive.

Mr. NORRIS. They will not believe the man is alive when he comes in person and tells them he is not dead.

Mr. SMOOT. A young Mr. Orem came into my office on his way home, and I have copies of letters which have been written to his wife insisting that he is dead.

However, Mr. President, the reason of all this is because of the plan of organization of the bureau. What can be expected when it is found that it is absolutely necessary in order to obtain the record of any soldier for any purpose to go to six jackets, traveling from one building to another, in order to get the record of the soldier? That is one reason why we have had nearly 20,000 employees at times in the bureau, tumbling over one another and making it impossible for even efficient clerks to do the proper kind of work.

Mr. President, what we need, unless this bureau is abolished, is for some one to make a complete reorganization of it from top to bottom. I know the director of the bureau; he is an honest man; he is doing the very best he can; but he has never had the experience which is necessary to organize an agency of the Government of that kind.

Mr. NORRIS. Mr. President, does the Senator from Utah think that this remarkable deficiency could have occurred if use had been made of the so-called Overman bill, which gave the President the power to transfer and consolidate the various bureaus and departments?

Mr. SMOOT. I must say that the President had nothing to do with the War Risk Insurance Bureau. It was Congress which provided for it.

Mr. NORRIS. Yes; Congress passed that law.

Mr. SMOOT. Congress passed the law creating the Bureau of War Risk Insurance, and Congress made the mistake at the time. Perhaps, I may say to the Senator, it was the best we could do then. We were embarking upon a new line of activity, and we, of course, thought the work would have to be put under

one bureau. Therefore we created that bureau, and I want to take my share of the blame.

Mr. NORRIS. Let me ask the Senator if it is not true that under existing law everything which the Senator contemplates by his bill can be done?

Mr. SMOOT. Oh, there is no doubt about that at all. The President has the power. I repeat to the Senator, I want to take my share of the responsibility, for I was a member of the subcommittee that had that legislation in charge. To tell the truth, I did not know at that time that we had the agencies in the Government to do the work, or I should have insisted that the work be done by agencies which already existed.

Mr. WALSH of Montana. Mr. President, I desire to inquire of the Senator from Nebraska [Mr. NORRIS], if the Senator from Utah [Mr. SMOOT] will permit, whether that is one of the virtues of the Overman bill?

Mr. NORRIS. That is what I was inquiring about.

Mr. WALSH of Montana. Perhaps the Senator from Nebraska did not understand me. The Senator from Nebraska inquired whether the distribution contemplated by the bill under consideration could not be accomplished under existing law; and I wanted to know from the Senator if the existing law to which he referred is the Overman bill.

Mr. NORRIS. No; I was not thinking at that time about the Overman bill.

Mr. BRANDEGEE. Mr. President, may I ask the Senator from Utah a question?

Mr. SMOOT. Yes.

Mr. BRANDEGEE. Under the terms of the Overman bill could not the powers and duties and functions of the War Risk Insurance Bureau be transferred to any department to which the President desires to transfer them?

Mr. SMOOT. That is true; but I do not know that the President's attention has ever been called to the matter. However, Congress, in the first place, made the mistake, and I am willing to let Congress rectify it.

Mr. OVERMAN. Mr. President, as reference has been made to the Overman bill, I desire to say that I think there ought to be some such general authority granted to the President, as was recommended by Mr. Taft, to carry out just such policies as now proposed without passing a law every time some such deficiency is made manifest as that which the Senator now proposes to remedy. The President ought to have such authority, to be exercised when it is patent that money can thereby be saved and efficiency promoted.

The Overman bill expires in a few months, and I think the Senator will agree with me that there ought to be a law passed by Congress giving general authority to the President, as is proposed in this case and as was recommended by Mr. Taft and also by Mr. Roosevelt, who appreciated the difficulties confronting the Government.

Mr. NORRIS. But such authority exists now.

Mr. OVERMAN. Yes, sir; it does exist now under the Overman bill, but that will shortly expire.

If this matter had been called to the attention of the President and patent facts had been shown to him, as the Senator from Utah [Mr. SMOOT] is to-day showing them to the Senate, probably action would have been taken along this line, because it would have been evident that something of the kind ought to have been done, and he, having the authority, would probably have exercised it.

Mr. SMOOT. Mr. President, as I was saying, the tables which I have asked to have printed in the RECORD without reading indicate that the proposed changes of organization would result in the elimination of practically 6,000 employees from the Government pay roll, with an annual saving in clerk hire alone of approximately seven and one-half million dollars. Not only that, but one of the best office buildings in the District of Columbia is occupied to-day by the employees of the War Risk Insurance Bureau. We are paying exorbitant rentals for office space in the District for other agencies of the Government. If we could get rid of this number of employees and utilize that space for other employees of the Government, while I have not figured as yet what the saving would be, it would be an immense amount of money.

Mr. OVERMAN. Mr. President, I concede that, and yet if the work now done by the War Risk Insurance Bureau is transferred to the War Department, as is proposed by the bill, they will have to have three or four thousand more employees. Is there room in the War Department for those clerks?

Mr. SMOOT. I will say to the Senator that both the War Department and the Navy Department would require an additional number of employees to the extent of 2,150. That is their estimate.



Mr. OVERMAN. I was mistaken in the figures.

Mr. SMOOT. I predict now that before the appropriation bills are framed for the fiscal year ending June 30, 1921, there will be as many employees eliminated from those departments because of the lack of appropriations to pay them as will equal at least the number that they have asked for to perform this extra work.

Mr. OVERMAN. So that the Senator thinks there will be plenty of room in the War Department for the additional employees and also in the Navy Department?

Mr. SMOOT. I have not any doubt of it.

No reference has been made in this connection to any subjects not directly related to the proposal to discontinue the Bureau of War Risk Insurance. There are, however, a number of matters which bear indirectly on the same problem which doubtless should have attention when the proposed bill is under consideration by the Senate. These include the transfer of the Public Health Service to the Interior Department, a change which is contemplated by pending legislation—Senate bill 3476—and the transfer of the functions of the Federal Board for Vocational Education to the same department, where they may be coordinated with the administration of compensation and pension legislation and with the activities of the Bureau of Education.

I thank the Senate for giving me its attention.

Mr. NORRIS. Mr. President, before the Senator concludes I wish to ask him about one feature of the proposed legislation which he has not discussed, a feature in which I think we all have a very deep interest. I refer to the transfer of the insurance part of the work of the War Risk Insurance Bureau to the Post Office Department. The Senator mentioned the fact that there has been a large number of lapses in insurance policies. I think that is regretted by everybody who has given it any consideration. It seems to me almost unthinkable that soldiers who were given the opportunity of taking out Government insurance have permitted it to lapse. After talking with many of them, I believe it is the fault to a great extent of the Government that that is the case. I know that neither the Senator from Utah nor the Senate nor the House would want to take any steps that would have a tendency to increase the number of such lapses; in fact, if we can do anything to prevent their increase we should do so.

Mr. SMOOT. And we should provide for the reinstatement of lapsed policies.

Mr. NORRIS. And as the Senator suggests, where lapses have taken place we ought to provide for their reinstatement, if possible, so that the insurance policies may be continued to the soldiers. Does the bill contemplate anything along that line?

Mr. SMOOT. The specific appropriations which have been made and which will be transferred to the Post Office Department in case the bill should become a law take care of all the necessary advertisement work, and of all the field work that would be required to look after the soldiers and endeavor to get them to reinstate their insurance. Not only that, but most liberal provisions are offered to the soldiers for the reinstatement of their insurance.

It is often said that it is the soldier only who is being looked after, but I wish to say that it is a mighty good thing for the Government as well, for every soldier who came back from the war came back in perfect health; they are all young men, and they are the best insurance risks in the world.

Mr. NORRIS. I think that is right.

Mr. SMOOT. And I think, if they all hold their insurance, say three or four million of them, that that branch of the work will be self-sustaining from now on.

Mr. NORRIS. There is no reason why it should not be.

Mr. SMOOT. No; and I will say to the Senator that we have provided ample means to take care of that feature.

Mr. NORRIS. Will there be any means provided by which the field work may be prosecuted so that the question may be taken up with each individual soldier with a view of inducing him to reinstate and carry his insurance?

Mr. SMOOT. There is no doubt about that.

Mr. NORRIS. I think one of the reasons—and there are a good many, perhaps—why soldiers have permitted their policies to lapse is inefficiency on the part of the War Risk Insurance Bureau. For instance, the Senator has referred to letters never having been answered; to soldiers who have paid their premiums in advance and yet are being dunned for premiums which they had already paid. Of course they become disgusted with such a proceeding and cease their connection with it. All that probably would be avoided by the Senator's bill—it would be by any efficient method that was invoked—but there ought to be something done, some sort of a campaign inaugurated, it may be, to

induce the soldiers who have permitted their policies to lapse to reinstate them, and then the law ought to provide favorable means for their reinstatement.

Mr. OVERMAN. Mr. President, could not that be done by circularizing the soldiers?

Mr. NORRIS. I think that would help a great deal.

Mr. OVERMAN. I was once insured in a company, which I think is one of the most successful insurance companies in the world—and the reason the Senator's bill commends itself to me so strongly is because of the plan proposed for collecting the insurance—which can and does write insurance because they have no agents. They do it all by printed matter. It is a very strong company and is conducting a great business in this country. It is known as the Postal Insurance Co. Instead of employing special agents at \$5 a day and expenses or \$1,600 or \$2,000 or \$2,400 a year, they use the mails and printed matter. So by issuing circulars and sending them to each soldier and explaining the matter to him we could save a great deal of expense and call the matter to his attention in that manner.

Mr. SMOOT. Mr. President, I want it distinctly understood that my interest in this legislation is not only for the benefit of the Government, but is primarily for the benefit of the soldier who served the Government during the recent war.

The VICE PRESIDENT. The bill introduced by the Senator from Utah will be referred to the Committee on Finance.

#### RECLASSIFICATION OF SALARIES.

Mr. JONES of New Mexico. Mr. President, on yesterday I called attention to Senate joint resolution 135, and I believe it was understood that it would be taken up to-day during the morning hour. If there is no objection, I should like to have it taken up now.

The VICE PRESIDENT. The Senator from New Mexico asks unanimous consent that the Senate proceed to the consideration of Senate joint resolution 135. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 135) extending the time for filing final report of the Joint Commission on Reclassification of Salaries, created by section 9, Public, No. 314, Sixty-fifth Congress, approved March 1, 1919, to a date not later than March 12, 1920, which was read, as follows:

*Resolved, etc., That the time for filing of the final report to Congress of the Joint Commission on Reclassification of Salaries, created by section 9, Public, No. 314, Sixty-fifth Congress, approved March 1, 1919, be, and the same is hereby, extended to a date not later than March 12, 1920.*

Mr. JONES of New Mexico. Mr. President, I will state that I am calling up this joint resolution at the request of the chairman of the Committee on Appropriations, the senior Senator from Wyoming [Mr. WARREN]. He is not present, and will not be here during the day; but before leaving the city he requested me to bring this matter to the attention of the Senate when an opportunity should be presented.

This joint resolution was considered by the Committee on Appropriations. There was a full attendance of the committee, and while I do not know that I should make any disclosure as to the attitude of the committee, I think I am safe in saying that only one member of the committee made any objection to the passage of the joint resolution.

The purpose of the joint resolution is simply to extend the time for filing the final report of the Joint Commission on Reclassification and Adjustment of Salaries in the District of Columbia. It does not require any additional appropriation, but simply extends the time for filing the report. It is the unanimous opinion of the commission that the time should be extended, and in my judgment it will be of very great service to the Committees on Appropriations of both the Senate and the House if the time is extended so that the commission may submit a rounded-out report.

Mr. GRONNA. Mr. President, may I ask the Senator if he believes that the work can be finished in the time that is asked for?

Mr. JONES of New Mexico. Oh, I think in even less time.

Mr. GRONNA. I am asking the question, because I believe an extension was granted last year.

Mr. JONES of New Mexico. No; the Senator must have something else in mind. This commission was only created on the 4th of last March, and was organized on the next day, and has been proceeding with its work all during the summer and up to the present moment. The commission is in the active discharge of its duties at the present time, and has quite a detailed force engaged in this work.

Mr. GRONNA. I am quite sure that an additional appropriation was asked. I think it was an appropriation of \$50,000, if I am not mistaken.

Mr. JONES of New Mexico. The Senator is right about that; but there was no extension of time granted when that additional appropriation was asked.

Mr. GRONNA. I have no objection, as the Senator knows, to extending the time. I simply wanted to know if, in the judgment of the Senator, the time specified in the joint resolution is sufficient?

Mr. JONES of New Mexico. I have not the slightest doubt about it. On the contrary, I am quite sure that the final report will come in before the expiration of the 60 days requested in this joint resolution.

Mr. GRONNA. Then I have no objection.

Mr. JONES of New Mexico. I hope that the final report will be submitted in not exceeding 30 days from the present time.

Mr. SMOOT. Mr. President, on March 1, 1919, the joint resolution creating a Joint Commission on Reclassification of Salaries was enacted into law, and approved on the same date. The result of that legislation is not apparent to Senators or Congressmen unless they have followed its history from the time it was passed and the organization begun down to and including to-day.

I knew at the time that it would bring a great deal of trouble to the Government and dissatisfaction among the employees, and I had an idea just how the law would work out. This whole question has virtually been handled by one Keating, a former Congressman from Colorado, and Luther Steward, the head of the National Federation of Government Employees. I still am going to hope that the Members of the Senate who are on that commission will pay little attention to the reports that have been made through the two gentlemen I have mentioned, and so widely published through the press of the country. I have upon my desk the clippings of statements made through them, published in Washington papers and some outside papers; and I want to say that if there ever was a scheme or propaganda started here with the avowed purpose of bringing every employee of the Government into a labor organization and making them dissatisfied with the salaries they are receiving from the Government, it has been under the joint resolution of March 1, 1919.

On Saturday afternoon I wanted to get my home over the telephone. I tried to get the telephone operator here at the Capitol, and as I picked up the telephone receiver no one answered, but there were two parties talking on the phone. I put up the phone, thinking they would be through in a few minutes. I waited about five minutes, and took up the phone again, and the same two parties were talking. I tried the third time, and as I put the receiver to my ear I heard at one end the voice of a woman, and at the other end the voice of an employee of the Joint Commission on Reclassification of Salaries, and I heard the young lady say: "Well, are you going to take care of me? I want at least \$1,200." The answer was: "My dear, you need not worry about \$1,200. We are going to see that every employee of the Government gets \$1,320."

There was a colored woman up at my house calling on our colored cook not so very long ago, and after she left we were informed that every charwoman in the United States was going to receive \$1,320 per year from now on, and they were going to join the union, and the union was going to see that the lowest salary paid by the Government of the United States, no matter if it was a charwoman, and worked only four hours a day, should be \$1,320. She asked the cook, "Why do you work for \$50 a month? Why don't you get in with the union, and get employment with the Government at a salary of \$1,320, with two months' leave of absence?"

The other day there was published in every newspaper in Washington, at least—and I noticed the same thing in the New York papers—an article headed, "United States clerks pay raised 72 cents from 1823 to 1916." Let me read what is said by these officials, if they can be so termed:

Average salaries of the Government clerical force increased from \$1,137.28 in 1823 to \$1,138 in 1916, an increase of 72 cents, according to figures presented to the Joint Congressional Commission on Reclassification of Salaries in the District to-day by the Government examiners. While the pay of Congressmen has been increased more than 700 per cent since 1833 and the pay of Justices of the Supreme Court more than 300 per cent, examiners in the Government service to-day feel that they are "left at the post." U. J. Biller of the Pension Office told the commission at the hearing.

"Some of the examiners in the older bureaus are still working at approximately the same wage received by their predecessors for similar or less complicated work back in 1833, or even as early as 1822," declared the brief presented by Mr. Biller on behalf of the examiners.

Then they go on with a long story, which was printed throughout the United States.

I do not doubt, Mr. President, but what the people of the United States, seeing that bold statement, believe that it is true. Well, it is not true, and I want to make the statement now of the facts which examinations will show.

The Joint Commission on Reclassification of Salaries in the District of Columbia has released for publication the statement that "the average salaries of the Government clerical force increased from \$1,137.28 in 1823 to \$1,138 in 1916, an increase of 72 cents." This statement is thoroughly misleading and, in fact, involves actual distortion of the truth.

The number of employees in the Federal service in Washington in 1823, and for several decades afterwards, was very small. Twenty-eight years later, in 1851, according to a writer in the Saturday Evening Post, issue of December 13, 1919, there were in the whole Treasury Department only 437 employees. In the Department of the Interior there were 413 workers. In the Quartermaster's Department of the Army, in the War Department, there were 13 employees; in the Engineering Department, 6 employees; and in the Ordnance Department, 9. In the Navy Department there was a total of 54 employees. In the Department of State there were 27. The Postmaster General had a force of 80 persons, including himself. The force of the Department of Justice consisted of 4. Taken altogether, the entire departmental service in Washington amounted to about 1,100 people. This was in 1851. Eleven hundred employees is only 20 per cent of the number now working in only one division of one of the bureaus of the Treasury Department. The total number of Federal employees now working in Washington is about 100,000. It should be noticed, however, that the Reclassification Commission has compared the salaries of the whole Government service at different dates, not merely those of employees working in the District of Columbia. The figure for 1916, \$1,138, "of all employees within the retirement group in all departments," is an average salary for a quarter of a million of Government workers, including postal carriers and clerks and all other Federal employees scattered throughout the country.

In 1851, and at earlier periods, the nature of the work performed by the handful of employees then engaged in the Government's business was very different from the work done at present. At that time, with only from six to a dozen employees in most bureaus or departments, every man had to be highly trained and had to perform duties equivalent to supervisory tasks. Now, one or two supervisors oversee the work of hundreds of clerks whose jobs have been reduced to routine by an elaborate subdivision of labor. In the Government as well as in commercial concerns introduction of labor-saving devices of many kinds has diluted the labor force by making it possible to utilize low-paid clerical labor, where formerly highly skilled workers were necessary. For example, the Treasury Department a number of years ago was still balancing its books and clearing its checks by laborious hand methods. A clerk could scarcely learn to do the work effectively within three or four years. After a more modern system was installed in the Treasurer's office the bulk of the work could be done more rapidly and economically by clerks operating calculating machines who were able to master their tasks in a week or two. Naturally this lower grade of clerical help does not need to be paid so much as the highly skilled office force of a generation or two generations ago.

The Reclassification Commission has compared the total pay roll as it stood in 1823 with the total pay roll in 1916, without knowing the kind of duties performed by the persons whose salaries are compared. In other words, an investigating body whose primary business is to classify salaries according to the nature of the work done is making an absurd attempt to contrast the pay of total groups without discrimination. No one can gather the faintest idea whether the kinds of work performed by a majority of the men and women on the Federal pay roll in 1823 is comparable with the kinds of work performed by those on the pay roll at present, for the reason that no information as to the nature of the work performed is available for more than a very few years previous to the present time.

The information, however, which is available indicates that the statements sponsored by the Reclassification Commission are false. It is possible to secure precise figures for the salaries paid on statutory rolls to the clerical force in a number of Government departments in the year 1893. These are the earliest figures that I have before me. A comparison reveals that in those offices where the nature of the work performed then and now is of the same grade there has been an actual increase in average annual pay. The figures further reveal when compared how easy it would be, taking offices where the nature and kind of task performed have radically altered, to show an apparent decrease. The figures of 1893 and 1920 that have been compared



have been taken of necessity from statutory rolls. If the statutory salaries have increased, certainly the salaries of persons paid from lump-sum appropriations have increased far more. No one familiar with departmental conditions would challenge this statement.

The following examples reveal the trend of salaries in the 27 years between 1893 and 1920. The 1893 figures are taken from compilations made by the Dockery Commission. The 1920 figures are taken from the current digest of appropriations. These figures are for the clerical forces in the Land Office, the Bureau of Pensions, and the Division of Loans and Currency. The Land Office and the Bureau of Pensions were chosen as examples because they were specifically mentioned in the statement given out by the Reclassification Commission. In each case the positions compared are purely clerical; that is to say, those below supervisory positions. In 1893 there were in the Land Office 316 employees whose average pay was \$1,251 a year. In 1920 there are 449 employees in the Land Office receiving an average salary, including bonus, of \$1,444 a year, an increase of 15 per cent in the average pay, and the increase in the average pay tells a Senator or a Congressman but little. Anyone who has been in the service of the Government and passing upon appropriations for the payment of the employees of the Government of the United States knows that the amount of salary which a man receives when he first enters the Government service does not remain at that figure long. It is one eternal advance from class 1 to class 2, from class 2 to class 3, and from class 3 to class 4, and then further increases in salary by advancements that are made by every head of every bureau of this Government.

In the Bureau of Pensions there were, in 1893, 1,613 employees whose average salary was \$1,229 a year. In 1920 there are in the Bureau of Pensions 829 employees whose average basic pay is \$1,315, and whose average pay including the bonus is \$1,555 a year, showing an increase of 7 per cent in basic pay and 27 per cent in actual pay.

In the Division of Loans and Currency the statutory rolls carried, in 1893, 65 employees, whose average salary was \$919. In 1920 there are in the Division of Loans and Currency 690 employees, whose average basic pay is \$1,127, and whose compensation including bonus is \$1,365 a year, showing an increase, within 27 years, of 23 per cent in basic pay and 49 per cent in total pay.

The foregoing examples show that, within the last quarter century there has undoubtedly been an increase of compensation to clerical employees where the work performed has remained comparable. On the other hand, it is possible, by selecting offices where great expansion has occurred and the work now is of a different nature from that of an earlier period, to reveal an apparent decrease in average pay. For example, in the Bureau of Engraving and Printing, in 1893, there were altogether only 11 employees on the statutory roll.

These 11 employees include a director at \$4,500 a year, an assistant director at \$2,250 a year—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). The hour of 2 o'clock having arrived, the Senator will suspend for a moment while the Chair lays before the Senate the unfinished business, which is House bill 3184.

Mr. SMOOT. Mr. President, the Senator from New Mexico [Mr. JONES] is very anxious that the joint resolution shall pass to-day, and if the Senator from Minnesota [Mr. NELSON] does not object I should like to ask unanimous consent to lay aside the unfinished business until I can conclude my statement.

Mr. NELSON. How long does the Senator expect to take?

Mr. SMOOT. I think I can get through in half an hour. I am not going into all the details. I could talk, I will say to the Senator, for the next week, and defeat the joint resolution entirely, but I do not intend to do that. I do not want to have it said that I was responsible after this whole proposition comes to the Senate and proves to be an absolute failure and every employee of the Government is dissatisfied with Congress because it does not follow a report that has been virtually prepared by Mr. Keating and Mr. Luther Stewart, that, if additional time had been granted, the commissioners would have been able to have made a more exhaustive study of the work of these gentlemen and might have come to a different conclusion if the salaries of the employees had been continued two months longer.

Mr. NELSON. If the Senator will assure me that he will not take more than half an hour I will consent to have the unfinished business temporarily laid aside.

Mr. SMOOT. If at the end of half an hour the Senator wants to go on, I will suspend.

Mr. NELSON. Will the Senator let us have a vote then on the joint resolution?

Mr. SMOOT. I am perfectly willing to have a vote on it then.

Mr. JONES of New Mexico. I thank the Senator from Utah for making the request which he has made, and I beg to assure the Senator in charge of the unfinished business that we will not consume any great length of time in the consideration of the joint resolution.

Mr. NELSON. Then I ask unanimous consent, in view of what has been said, that the unfinished business be temporarily laid aside that the Senate may consider the pending joint resolution.

The PRESIDING OFFICER. Is there objection?

Mr. GRONNA. Mr. President, with the understanding that no other business will be transacted except the disposal of the joint resolution, I shall not object.

Mr. NELSON. That is my request.

Mr. SMOOT. I will assure the Senator that nothing else will be transacted.

Mr. NELSON. Is the request granted?

The PRESIDING OFFICER. Without objection, the request of the Senator from Minnesota to temporarily lay aside the unfinished business is granted.

Mr. SMOOT. Mr. President, when the hour of 2 o'clock arrived I was calling attention to the example in the Bureau of Engraving and Printing and had stated that there were altogether only 11 employees on the statutory roll working in the Bureau of Engraving and Printing in 1893.

Those 11 employees included a director, at \$4,500 a year; an assistant director, at \$2,250 a year; a cost accountant at \$2,000 a year; and a number of high-priced clerks. The average pay of those employees in 1893 was \$1,586 a year.

At present, in 1920, there are 420 statutory employees in the Bureau of Engraving and Printing. The average pay of those employees is only \$688 a year, whereas the average employee on the statutory roll of the Bureau of Engraving and Printing in the year 1893 received \$1,586. The \$688 a year is less than half the average pay of the 11 employees on the rolls in 1893. That is due to the fact, however, that while the number of higher-paid positions has expanded only slightly, there has been a vast increase in the number of lower-grade clerks and helpers.

In the figures for 1920, for example, there are included 94 charwomen at \$300 a year, 85 laborers at \$540 a year, and 80 watchmen at \$720 a year. The great expansion in the number of the low-grade positions accounts for the low average pay of the group. Obviously such an example can not be held up to the public as a fair indication of the trend of Government salaries.

The figures that I have given cover the last 25 years of Government service. It is interesting to notice, however, that the Reclassification Commission, going back to 1823, released the statement that the average salary paid in the Pension Bureau, then a division of the War Department, amounted to \$1,146.67 a year. The average salary of the clerical force of the Pension Bureau in 1920, taking the basic salary alone, amounts to \$1,316 a year. Assuming that the Reclassification Commission is correct in its figures for 1823, there has been in the Pension Bureau an increase between 1823 and 1920 of \$186 in the basic pay. Adding to this the bonus, the increase becomes \$408 a year. The increase of \$408 in the average pay occurred in the 100 years when in the Pension Bureau, as in every other governmental office, there was a steady decline in the degree of skill and special training needed to qualify for a position with the Government.

Any comparison between the salaries of other years and the present time must, to be statistically balanced, be based on pay for similar or identical work. A striking piece of evidence may be found in the figures which have been collected for the years 1914 and 1918. The figures which are given in an accompanying table show the compensation given to employees working on specific jobs, such as typing, stenography, correspondence, indexing and filing, the operation of calculating machines, and so on.

The table shows that in 1914 a group of 9,899 employees was receiving an average pay of \$968 a year. Four years later, in 1919, a group of 17,853 employees, performing precisely the same tasks, received an average pay of \$1,041 a year. These figures do not take into account the bonus which has been added. It is fair to assume that if the average pay of these employees was \$1,041 in 1918, it is not less and it is probably more in 1920. If we should add the bonus allowed in 1920 to the average salary paid these various groups of employees, the total pay now would be \$1,267 a year, an increase of \$299 a year over the average pay of 1914. This disposes effectively of any claim that work of a given grade is to-day paid less than in former times.

These statistics show conclusively that the statement given publicity by the Reclassification Commission does not accord with the facts. It is based on most hasty and sloppy statistical methods and is only serving to mislead Government employees and the public.

Here I want to pause, Mr. President, to say that I know they have never been put out to the public as a result of an investigation made by the commissioners themselves, because I know the Senators who are members of that commission too well to believe that if they had gone into the details of this subject they ever would have allowed such a statement to be made.

Mr. JONES of New Mexico. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. Certainly.

Mr. JONES of New Mexico. I am sure the Senator from Utah is making what he believes to be a very fair statement, and I would not interrupt him except for the fact that I feel quite sure he has not been fully informed as to the statement to which he has been referring.

The published statement which the Senator presented in his opening remarks was not issued by the Reclassification Commission. It went out by no authority from that commission. My recollection is that the statement only purports to be a statement gotten up by one group of employees who were seeking to have their salaries readjusted and it was only presented to the commission. The commission itself has never given any consideration to the statement which was presented to it further than to understand its contents and put the matter on file for future consideration and verification.

Mr. SMOOT. If the Senator will allow me, I will say that I have 200, at least, of the clippings, and I know from what source they come just as well as the Senator knows. It has been persistently given out to the public through the press that these are the figures and the results after investigation made by the Reclassification Commission. I know that the members of that commission have not given them consideration, as I have already stated.

Mr. KING. Will my colleague yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. Certainly.

Mr. KING. I have heard the criticism made—and I have felt there was some little justice in it—that certain persons were taking the work out of the hands of Senators and some of the other responsible members of the commission and carrying on a propaganda looking toward securing certain benefits for the employees of the Government that perhaps might be in excess of what justice demands. At any rate, the columns of the press for weeks, and I was about to say for months, have teemed with statements from some persons or individuals with respect to reclassification and the work of this commission.

Mr. SMOOT. I dare say that there are nine hundred and ninety-nine employees of the Government out of every one thou-

sand who believe that the statements which have been made through the press have been sanctioned and issued by the commission. Mr. President, I do not know what will be the effect of the dissatisfaction which is going to result amongst the employees of the Government when the final conclusions are made known. I know that no good effect can follow.

I know another thing, that the commissioners will never report to Congress the recommendations that have been made as recorded in the press for the last few months. I have sufficient confidence in them to say that no such recommendations will ever be made to Congress.

Mr. JONES of New Mexico. Mr. President—

Mr. SMOOT. I have only 10 minutes, if the Senator will pardon me.

Mr. JONES of New Mexico. I am sure the distinguished Senator from Minnesota [Mr. NELSON] will not limit the Senator from Utah to half an hour.

Mr. SMOOT. I think the Senator will do so. We are acting under a unanimous-consent agreement, and I do not want to trench upon the time.

Mr. JONES of New Mexico. I think it advisable at this time, Mr. President, if the Senator from Utah will permit, to make a statement that the commission itself has never authorized the giving out of any report which has been the foundation for the newspaper articles which have appeared. Those articles themselves, upon close examination, will absolve the commission from having taken any such action; but I must confess that a great many of them are so prepared that the casual reader would conclude that the commission is responsible for the statements made. I think it only fair, however, to the Senate and the country that they should understand that the commission is in no wise responsible for any of these statements.

Mr. SMOOT. I will say to the Senator from New Mexico that no ordinary citizen and no employee of the Government will read the statements as published in the newspapers without coming to the conclusion that the commission did authorize them, for many of them so state.

Mr. JONES of New Mexico. I think the Senator from Utah is quite right about that.

Mr. SMOOT. And I have thought many a time had I been a member of the commission I would have made a public announcement to the effect that such statements were not authorized by the commission.

Mr. JONES of New Mexico. And the purpose of my rising at this moment is to make precisely that statement.

Mr. SMOOT. Mr. President, I have here a statement showing the average salary paid to Government employees in 1914 and 1918 for certain classes of work; also the amount and percentages of salary increases between 1914 and 1918; and I ask unanimous consent that the table be published in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Statement showing average salaries paid in 1914 and 1918 for certain classes of work and the amount and percentage of salary increases between 1914 and 1918.

Description of duties performed.	1914			1918		
	Number of employees.	Average salary.	Total.	Number of employees.	Average salary.	Total.
1. Preparing schedules or registers of accounting documents or transactions.....	69	\$1,244	\$85,824	124	\$1,235	\$153,131
2. Posting and balancing detail ledgers.....	378	1,273	481,405	488	1,322	645,111
3. Journalizing routine transactions.....	91	1,309	119,093	163	1,314	214,165
4. Searching for errors, making trial balances.....	106	1,409	149,474	181	1,393	252,212
5. Plain copying on the typewriter.....	415	1,014	420,715	1,755	1,142	2,005,185
6. Taking and transcribing routine dictation.....	1,688	1,070	1,816,581	3,434	1,134	3,894,504
7. Expert stenography.....	89	1,292	114,988	563	1,311	737,874
8. Composing and typing routine correspondence.....	280	1,303	364,804	538	1,361	732,184
9. Composing and dictating correspondence.....	797	1,452	1,157,458	1,025	1,537	1,574,868
10. Secretaries to administrative officers.....	172	1,590	273,412	294	1,665	489,538
11. Plain copying—filling forms.....	377	1,076	405,285	588	1,121	658,992
12. Indexing and filing, comparing, verifying.....	1,454	1,156	1,681,147	2,120	1,145	2,428,035
13. Operating tabulating or calculating machines.....	140	998	139,662	209	1,096	229,085
14. Operating addressing and duplicating machines.....	97	870	84,424	265	994	263,410
15. Preparing and verifying pay rolls.....	125	1,251	156,315	807	1,161	937,104
16. Messengers.....	1,055	625	659,656	1,979	634	1,254,401
17. Unskilled laborers.....	2,135	550	1,174,635	2,502	615	1,537,931
18. Elevator operators.....	55	680	37,730	158	705	111,390
19. Watchmen.....	366	696	254,826	660	717	473,220
	9,899	968	9,577,423	17,853	1,041	18,502,400

Actual increase over 1914 salary (excluding bonus)..... \$73  
 Percentage increase over 1914 salary (excluding bonus)..... per cent. 8  
 Actual increase over 1914 salary if 1920 bonus were added..... \$299  
 Percentage increase over 1914 salary if 1920 bonus were added..... per cent. 31



Mr. SMOOT. In this connection I wish to say that the figures which are here presented do not in any way, shape, or form indicate what the individual employees have received by way of increase of salary or, as I stated a little while ago, the promotions of such employees.

Go into any department or bureau of the Government, particularly one created in the last four years, and see how many employees you can find who are drawing the same salary which they drew when they originally entered the service. I can not say what the average increase in salary has been, but I can say that the employees who have had the favor of the head of a division or of a bureau, no matter how incompetent or competent they may be, have been the ones who have received the increases.

I desire to say to the Senator from New Mexico [Mr. JONES] that ever since I have been a member of the Committee on Appropriations I have stated upon this floor time and time again that there were employees in the Government service who are underpaid, and that they ought to have received increases of compensation long ago; but for one that is underpaid there are ten who could not make as much money anywhere else on the earth as they are making here in the District of Columbia under Government employment. In making that statement I do not take into consideration the 30 days' leave of absence that is given to them all; I do not take into consideration the sick leave that is given them; and if the commission follows the report and adopts the recommendations of Mr. Keating and Mr. Steward every one of those employees will take the full 60 days' allowance. That would mean that the Government employees are to work but 10 months instead of 12 as in private institutions and industries.

I have time and time again stated that there ought to be an investigation into every bureau and every department of the Government as to the salaries that were being paid. Any Senator who is familiar with the workings of the departments, anyone who goes to the departments for information, soon becomes familiar with the employees who do the work. It is seldom the head of the department; it is not the man who gets the largest salary; but it is the man or the woman who has been there for years and years and who knows the workings of the department from A to Z.

In other words, in my opinion those employees were most unfortunate when they landed in positions in the departments of our Government. They ought to have entered into affairs of everyday life and business to battle for positions with their fellow men; but they came here and entered one of the departments, thinking that the Government was at least a safe and sure paymaster and would be as long as they remained. A man is not in the Government service for many years, however, before he becomes an absolute machine; he loses confidence in himself; he is fearful that if he loses his job in Washington he can not make a living for himself or his family elsewhere. It would be a godsend to every young man who has accepted a position under the Government with a view of remaining here and making Government service his life vocation if he were forcibly separated from the Government service and compelled to use his energy and talents in battling with the outside world. Any man who stands at the head of a bureau or department of the Government who will kick a young man out of the Government service and force him into the active business life of this country, unless he is here for the purpose of acquiring an education, will confer upon the employee the greatest favor that he could possibly render him.

The trouble is, Mr. President, that the employees of the Government soon learn that it is not the policy of the Government to keep work current; the policy is never to finish a job until it is absolutely necessary to do so; and they have always unfinished work as a basis every year for demands for larger appropriations. I wish to say to Senators now that if we do not call a halt, and if we do not exercise more care in spending the taxes of the American people than we have in the past, there is going to be more Bolshevism in the United States than there ever has been. There is extravagance on every hand; there is waste everywhere; and about the only bills concerning which there is any quibble in the Senate are bills carrying appropriations of less than \$100. It is understood that if they carry \$1,000,000 or more there will be no objection to them at all. I remember the time when a bill that carried \$500,000 or \$1,000,000 was scrutinized most closely by Congress, but now little attention is paid to a measure appropriating money unless the sum is less than \$100,000.

Mr. President, I am going to allow the resolution to pass before the 12th of the present month; I am not going to occupy the time of the Senate further, but I wish to say that in look-

ing up the record I find that there is just about money enough left from the appropriation to pay the salaries for the next 60 days, the extension asked for in the pending resolution. Why should we save that money? It would be a disgrace to Congress to save a dollar of an appropriation already made, but it would go back into the Treasury, and would relieve the taxpayers of this country just that much.

Mr. THOMAS. It would establish a bad precedent.

Mr. SMOOT. Yes, as the Senator from Colorado suggests, it would establish a bad precedent.

Mr. President, the hour of half past 2 o'clock has arrived, and I can not start upon another branch of this subject in the time allotted to me. I wish to thank the Senator from Minnesota for allowing the unfinished business to be temporarily laid aside until half past 2. We will just have time, I will say to the Senator from New Mexico, to pass the resolution now, and then take up the unfinished business.

Mr. JONES of New Mexico. Mr. President, I thank the Senator from Utah for his courtesy in permitting the resolution to come up at this time, and I also thank the Senator from Minnesota. I do not believe that it is necessary to make any statement further than has been made. I wish to assure the Senator from Utah, however, that I hope the decisions which he reached when this commission was first organized will not be proven to be erroneous. The Senator from Utah was a member of the committee which created this commission and knew what its personnel would be before the appropriation was made. The commission has rather looked upon the Senator from Utah as one of its patriarchs, one of the fathers of the movement, and we have been looking to the Senator from Utah for that hearty support for the work of the commission which the commission will hope to receive from the Senate. I still believe that when the result comes in the Senator from Utah will find that some of his apprehensions have proven to be misapprehensions.

Mr. SMOOT. I will say to the Senator that I am going to hope so.

Mr. JONES of New Mexico. I am sure the Senator will; and with all goodness of grace I again thank the Senator from Utah for his kindness in permitting this matter to come to a vote at this time.

Mr. President, I wish to say that a similar joint resolution has passed the House, and has come over to the Senate, and is in the hands of the Committee on Appropriations. The Committee on Appropriations considered the pending joint resolution and reported it out, and, of course, there is no reason why the Committee on Appropriations should further consider the joint resolution which came from the House. I therefore move that the Committee on Appropriations be discharged from the further consideration of House joint resolution 263, and that it be substituted for Senate joint resolution 135, now under consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 263) extending the time for filing final report of the Joint Commission on Reclassification of Salaries, created by section 9, Public No. 314, Sixty-fifth Congress, approved March 1, 1919, to a date not later than March 12, 1920.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate joint resolution 135 will be postponed indefinitely.

#### WATER-POWER DEVELOPMENT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3184) to create a Federal power commission and to define its powers and duties, to provide for the improvement of navigation, for the development of water power, for the use of lands of the United States in relation thereto, to repeal section 13 of "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved August 8, 1917, and for other purposes.

Mr. NELSON. Mr. President, I understand that the Senator from Wisconsin [Mr. LENROOT] desires to address the Senate on the pending bill. I will ask him if we can not first take up and dispose of the amendments over which there is no controversy; or does the Senator prefer to go on now?

Mr. LENROOT. I should prefer to go on now, because I have only been intending to discuss in this general debate some of the principal amendments, and I should not care to say

offhand that there would be no controversy about some of those that I have not discussed.

Mr. NELSON. If the Senator prefers to go on, very well.

Mr. LENROOT. I should like simply to conclude my speech.

Mr. President, yesterday when I yielded the floor I had been discussing the amendments proposed by the Senate committee that change the license that may be granted under this bill from a 50-year franchise or license to a perpetual license. I shall not discuss that matter further, because in conversation between the Senator from Minnesota and myself I think we will have no difficulty in coming to an agreement upon it.

The next matter to which I wish to call attention is the one relating to contracts extending beyond the life of the license. Under the terms of the House bill it is provided that the licensee may, with the joint approval of the State commission having authority and the commission created by this bill, approve contracts extending beyond the life of the franchise. That is to say, at the end of 45 years, we will say, it is proposed to make a new contract for 20 years for the power created by the dam licensed, and under the House bill that is permitted, provided both the Federal and State agencies approve; but I am very much surprised to find that the committee has proposed an amendment striking out the Federal approval of such a contract and permitting the State authority alone to approve a contract made by the licensee that may extend for any time. It might extend for 50 years beyond the term of the license.

That being so, of course, the argument that this is a 50-year franchise, and that the Government is free at the end of that term to take it over and utilize the power created by the dam as it sees fit, is absolutely fallacious, because the State authority might approve a contract running for 50 years, and the Government, if it took over the dam, would be compelled to carry out that contract, irrespective of whether it was a remunerative one or not. Of course, one can see that if the Government were to take it over, if the Government had given the two-year notice that it would take it over, the licensees would not be concerned with what the rates were. They perhaps would be perfectly willing, if the Government took it over, to agree with the State regulating commission for a rate that would be absurdly low, in order to punish the Government for taking over the property.

I hope, therefore, that that amendment proposed by the committee will not be adopted, and that the language found in the original House bill will stand.

This brings me to the only other proposition that I wish to discuss at this time, the one that was discussed at length yesterday by the Senator from Minnesota, and that relates to the compensation that may be charged under the license.

This proposition with reference to compensation and the duration of the license has been the stumblingblock for all these years between the House and the Senate.

Mr. CHAMBERLAIN. Mr. President, will the Senator please call attention to the section he is discussing?

Mr. LENROOT. Section 10, on pages 18 and 19.

The House has always insisted upon two things: First, that the franchise or license should be for a definite term, and that at the end of that term the Government should be free to deal with the subject matter; secondly, that the power that has authority under the legislation to grant the license should have the discretion—not a mandatory duty, but should have the discretion—to exact a charge for the consent or the privilege that is granted.

It has been contended, and was contended, I think, by the Senator from Minnesota [Mr. NELSON] yesterday, that the Federal Government had no constitutional authority to exact anything more than such compensation as was necessary to reimburse it for the administrative expenses that were incurred; but no one has ever been able to furnish to either House of Congress any authority from any court limiting the power of Congress in any such respect.

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kansas?

Mr. LENROOT. I do.

Mr. CURTIS. I should like to call the attention of the Senator also to the fact that this bill covers water-power sites on Indian reservations, where the property clearly belongs to the Indians, and they are entitled to payment for whatever is taken.

Mr. LENROOT. Yes.

Mr. NELSON. That is left in the bill. Provision is made for that.

Mr. CURTIS. That is under the license clause only.

Mr. NELSON. Yes.

Mr. LENROOT. I might as well come to that now. Here is a power site on tribal lands belonging to Indians on a reservation. Under the language of the bill as it comes to us from the House this commission would have the authority and it would be its duty in protecting the rights of the Indians to make an annual charge based upon the value of that power site; but in the proposed Senate amendment striking out all of the House provision we find this language:

That the licensee shall pay for the license herein granted such reasonable annual charges as may be fixed by the commission, for the purpose of reimbursing the United States for the cost of administration of the act in relation to water powers developed under its jurisdiction, in the proportion that the water power developed by the project covered by said license bears to the total water power developed by all projects licensed under the act, and for that purpose such charges may be readjusted from time to time, not oftener than once in two years; the licensee shall also pay for the use and occupation of any public lands and lands in reservations, except tribal lands embraced within Indian reservations, necessary for the development of the project covered by the license such reasonable annual charges based upon the actual value of the Government lands used as may be fixed by the commission; but in no event shall the annual charge for the foregoing exceed 25 cents per developed horsepower: *Provided*, That when licenses are issued involving the use of Government dams or other structures owned by the United States or tribal lands embraced within Indian reservations the commission shall fix a reasonable annual charge for the use thereof, and such charges may be readjusted at the end of 20 years after the beginning of operations and at periods of not less than 10 years thereafter in a manner to be described in each license.

It will be observed that the policy of Congress, if this is adopted, will be that there shall be a maximum of 25 cents per horsepower upon public land, and while there is no limitation upon the amount that may be charged upon Indian land, the rule or standard is laid down that would undoubtedly be followed in the case of the Indian land.

But, Mr. President, to get back to the legal contention that is made that the Federal Government has no power or authority to exact a charge upon navigable streams over and beyond the reasonable cost of the administration of the law, the Senator from Minnesota yesterday very frankly admitted that wherever the United States itself erects the dam it may sell or utilize the surplus water, may itself create electric power and may sell that power; and when the Senator admits that it necessarily follows, it seems to me, that he must also admit that when we choose an agent to do that which the Government itself might do we may give to the agent the whole or any portion of that which the Government itself might take. That has been well established in numberless decisions. I have some of them upon my desk, but I am not going to take the time to read them. However, it is well settled that wherever the Government, State or Federal, either itself erects the dam or grants authority to some private individual to do so it may reserve to itself the surplus water power created by that dam and may dispose of it.

What is the theory of granting these licenses? So far as navigable streams are concerned, it is based wholly upon the theory that the erection of these dams will aid navigation. Otherwise it is admitted that we have no jurisdiction to authorize the obstruction of a navigable stream. All will admit that the Congress of the United States has no authority to authorize the creation of a dam on a navigable stream for the production of water power alone.

Unless navigation is connected with it in the legislation and is the primary purpose of it we are wholly without power. So whenever we grant a license under this bill to an individual or a corporation for the erection of a dam across a navigable stream it is upon the theory that that obstruction of the navigable stream will be an aid to navigation, that we delegate to an agency of the Government, which the licensee becomes, the right to do that which the Government itself might directly do if it saw fit. Concededly, as it is, that if the Government did it directly we could utilize all of the water power created and sell it on such terms as we saw fit, or refuse to sell it at all, it clearly follows that in selecting an agency to do that which the Government itself might do we may say to that agent, "As a reward for thus aiding in navigation by the creation of this dam you may retain for yourself 10 per cent, 15 per cent, or 75 per cent of the surplus water or the power created by the use of the surplus water." We may say to that agent, "In consideration of our delegating to you this authority, instead of doing it ourselves, you shall pay to us 10 per cent, or 25 per cent, as the case may be, of either your revenues, or a given sum, measured by the horsepower created." It seems so clear to me, Mr. President, that as a legal proposition I do not believe there can be any possible question concerning the right of the Congress to enact this legislation.



But it is said that it would be most inequitable to take compensation for the privilege thus granted. Let us see. I do not contend for a moment that the water powers of this country should be utilized for the purpose of securing revenue for the Government. I fully agree with those who contend that the consumer should have the benefit of the low-priced water powers of this country, and just in so far as the consumer does or will get the benefit of a nominal charge, I am in full agreement with those who so contend.

But, Mr. President, there are many, many cases where, under this amendment proposed by the Senate committee, the consumer will not get the benefit, but it is a clear gift to the water-power corporations who become licensees under this bill, enabling them to make vast profits and to cover up those profits so that under the terms of the bill relating to an investment and the right of the Government to take it over the Government itself at no time can secure any benefit from this great concession. The result would be, under the Senate committee amendment, that we would hand this great resource belonging to the people of this country over to these water-power companies, with the opportunity to make vast and exorbitant returns for themselves, with no power upon the part of either State or Federal Government to give to the consumer the benefit of this cheap utility, but merely make it possible for it to be used to enrich the licensees.

Mr. KING. Will the Senator yield?

Mr. LENROOT. Certainly.

Mr. KING. The Senator concedes, does he not, that if the utility to which he refers, the power plant or the electric-power establishment, develops power which is consumed in one State only the public utilities commission of that State would have the authority to regulate the price at which the power should be sold?

Mr. LENROOT. Yes.

Mr. KING. Does the Senator think, in that instance, the prices would be exorbitant? The public utilities commission, of course, would be jealous, as we know all State public utility commissions are, to see that the interests of the people are subserved and that extortionate prices are not charged by those engaged in activities of that character.

If I may be permitted another inquiry, assume that the product of the plant is utilized in various States, so that perhaps a State utilities commission did not have full jurisdiction over the plant and the output of the plant, so that it would have to come under Federal cognizance, does not the Senator believe that an organization, if one does not already exist, would speedily be created by Congress to fix a limit on prices charged by these power plants, so that extortionate prices would not be exacted from the public?

Mr. LENROOT. In reply to the Senator, the Senator from Wisconsin does not believe that either of those two things will follow, and that is why he takes the position he does; and I think I will be able to convince the Senator from Utah of the correctness of my position.

Let us first take the illustration that the Senator gives, or where the power is created and consumed wholly within a State. There are two classes of cases where regulation can not possibly give the consumer the benefit of the low-cost water power that will be provided by this bill. Let us suppose that there is a city in the Senator's own State that utilizes 15,000 horsepower. Five thousand of that horsepower is produced from a dam licensed under this act, and that is all the water power that can be produced tributary to that city. The other 10,000 horsepower is produced by steam. We will say that steam power actually costs \$20 per horsepower to produce. A public utility gets a license under this bill. The demand in that city has increased and they secure 5,000 horsepower under the bill and propose to meet that increased demand in that city with this horsepower, developed by water power, which costs them only \$10 per horsepower, or one-half of the cost of that which is produced by steam.

Now, does the Senator from Utah believe that this utility, having this 10,000 horsepower, will be held down to a rate one-half of that which is produced by the utility creating power by steam, where the water-power utility furnishes power to consumers upon one side of the street and the steam utility furnishes power to consumers upon the other side of the street? Does the Senator think there would be two different rates for that power? Of course not. The result would be, as it always has been, that the low cost water power utility would be permitted to charge the same rate that the steam utility charges, in order that there might not be discrimination and favoritism between individuals; exactly the same situation that we have, Mr. President, with reference to the railroads. What is our

great trouble with the railroad situation to-day? We have discussed this so much that I just want to point to it.

Here is the Pennsylvania road, a great, strong road, with immense traffic upon its lines. Here is the Baltimore & Ohio road, paralleling it, which is a weak line. We do not have one rate for the Baltimore & Ohio and another rate for the Pennsylvania. Of course we do not. We have such a rate as will enable the Baltimore & Ohio to come somewhere near paying a fair return upon its investment; and the inevitable result is that the Pennsylvania, under those rates, is permitted to make an exorbitant return. That is the condition which is attempted to be remedied by the bill that has passed the Senate and has gone to conference.

But exactly the same situation will exist with reference to these water powers. Where one is created by steam and the other by water power, the rate that will be permitted to the water-power utility will be such rate as will enable the steam-power utility to exist and pay a fair return.

It is idle to talk about the utility commissions of the States so regulating that that the consumer will get the benefit of that low-priced power. It can not be done; it would not be done; and the result would be that you would have enormous earnings upon the part of the water-power utility, and under the committee amendment neither the consumer nor the Government, representing all the people of this country, would get any benefit from this privilege.

Now, I want to give another illustration. Suppose there is a great power development creating 100,000 horsepower, and there will be some, Niagara River, for instance, which I shall discuss a little later on. Niagara Falls comes under the terms of this bill; but that I will discuss later. That comes under the terms of this bill, and will some one tell me what good it would do the public to have the Public Utilities Commission of New York, where the same people may own the power plant who own the factories, the cyanide factory, or the fixed-nitrogen factory, where fertilizer is produced from these Falls, regulate the price that the power company of New York should charge to the manufacturing company when they own them both? There, again, is a case, Mr. President, where, under the terms of the committee amendment, neither the consumer nor the public can get any benefit from it, but it is a gift to these great water-power corporations.

Oh, but the Senator from Utah says when that time comes Congress itself would not be slow to create a body or enact legislation that would regulate the price of the product. Yet, if I understand the general position of the Senator from Utah, and I followed it very closely, he would fight to the last against any power of Congress to regulate the price of the product of any manufacturing industry in the country.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. LENROOT. Certainly.

Mr. HARRISON. I understood the Senator to say that the Niagara Falls proposition is included in the terms of the bill.

Mr. LENROOT. It is.

Mr. HARRISON. Was that the suggestion of the committee?

Mr. LENROOT. It was.

Mr. HARRISON. Did the committee give any special consideration to the Niagara Falls projects?

Mr. LENROOT. I do not know how far I am justified in stating what occurred in the committee. I think I am justified in stating that I offered an amendment in the committee excluding Niagara Falls, and it was rejected.

Mr. HARRISON. The reason why I asked the Senator is because he is quite as familiar with it as I am and knows that when the bill was up in the House in the last Congress, practically the same bill, I understand, it was provided by a rule offered in the House that the Niagara Falls proposition was not to be included in any general water-power legislation.

Mr. LENROOT. That is true.

Mr. HARRISON. For that reason the special committee at that time, to which was referred all the bills touching water-power development, did not give any consideration to the development at Niagara Falls, but left that exclusively to another committee which was then and had been for many years giving special consideration to the development at Niagara Falls.

I am a little surprised to hear the Senator say, therefore, that the Niagara Falls project is included in the present bill, because, as he knows, there is quite a different development there from that involved in any other project within the United States.

Mr. LENROOT. That is true. The Senator from Mississippi was then a Member of the House, as I was, and we were both upon the Committee on Rules. The Senator correctly states the situation with reference to the creation of the special committee about which the Senator from Minnesota [Mr. NELSON] spoke

on yesterday. Niagara Falls and all boundary waters were expressly excluded from the jurisdiction of that committee.

Nevertheless, under the all-inclusive language of the pending bill, both as it came from the House and as it is before the Senate to-day, not because there was any special consideration given to the Niagara Falls project, because there was none, I am satisfied, in either House, it is included only because the language is so all embracing that if it is not amended the Niagara Falls and St. Lawrence River will be included within the terms of the bill.

Mr. HARRISON. May I ask the Senator a question? I have not given the bill the degree of consideration that the Senator has, but from a casual reading of it I conclude that there is no provision in it that would touch this state of facts which exists at Niagara Falls, for instance. There is a plant up there which under contract could be utilized to develop so much water power. It is an antiquated institution. It does not develop the water power to its highest efficiency. There is another plant there that is developing water power to a high efficiency.

Is there anything in the bill, in the opinion of the Senator, that would allow the commission to compel the remodeling of that plant so that it might develop water power there to its very highest efficiency?

Mr. LENROOT. I do not think they could do it, and yet I would not undertake to say absolutely what the power of the commission might be under such circumstances.

Mr. HARRISON. Is there anything in the bill which would give jurisdiction to the commission to allow them to levy higher charges for water-power development at Niagara Falls than at other places in view of the fact that it is more easily developed there than at any other place, and in view of the fact that power companies which have existed there for a long, long time have made thousands and thousands of dollars? Is there anything in the bill that would allow a heavier charge there than at other places?

Mr. LENROOT. Not only is there nothing in the bill that would allow it, but the bill with the Senate committee amendment would absolutely prohibit it. In other words, if the bill goes through in its present form, knowing what I do about the Niagara Falls power project, in my judgment it would be a gift of a clear million dollars a year to the Niagara Falls company.

Mr. HARRISON. May I say to the Senator that unless he or some other Senator offers an amendment to exclude the Niagara Falls development from the bill and the jurisdiction of the commission, I shall offer it at the proper time?

Mr. LENROOT. I sincerely hope the Senator from Mississippi will do so, because the Senator from Mississippi, I think, is more familiar with the Niagara Falls project, perhaps, than any other Member of the Senate, unless it be the Senators from New York, because the Senator from Mississippi while a Member of the House was a member of the Committee on Foreign Relations, which always had jurisdiction of the subject. I think that the Committee on Foreign Relations of the Senate has always had jurisdiction of the subject.

While we have reached this question, I might as well say now what I had intended to say upon the proposition at Niagara Falls.

Mr. KING. Will the Senator yield to me for a moment?

Mr. LENROOT. Certainly.

Mr. KING. I know the Senator desires to be and is a fair expositor of a proposition and is fair to those who differ from him and that he does not desire to put me in any improper light. I have expressed no particular views with respect to the bill or the theory upon which it is drawn other than in the question which I propounded yesterday to the distinguished Senator from Minnesota [Mr. NELSON].

The Senator from Wisconsin has just stated that he has no doubt the Senator from Utah, referring to myself, will be found opposing the creation of any Federal instrumentality for the purpose of fixing rates, or words to that effect.

Mr. LENROOT. No; I said fixing prices on the products of an industrial factory.

Mr. KING. I am not so sure what my position would be in a given case. It would be impossible for me to indicate in advance what position I should assume in the face of any given exigency, but I will say frankly to the Senator that I am not much of a believer in price fixing and I am not much of a believer in the right of the Federal Government to go into a State and attempt to fix the prices of industrial or other products.

I am jealous, I frankly confess, of the rights of the States, and I have looked with a great deal of apprehension upon the encroachments by the Federal Government upon the reserved rights of the people and upon the rights and powers of the

States. It does occur to me that the States are becoming atrophied and that the people more and more are relinquishing rights which belong to them and to the States, and more and more to devolve upon the Federal Government a power which it does not possess.

But I recognize that there is a broad field for the active assertion of power by the Federal Government. I recognize with reference to railroads that the Federal Government has the right to and should create, as it has done, an Interstate Commerce Commission to see that fair and just freight and passenger rates are promulgated and enforced. I can conceive that there might be a power organization of such magnitude with such national ramifications as to call for the interposition of the Federal Government and the establishment of some board for the purpose of fixing rates, or at any rate for the purpose of prohibiting the imposition upon the people of unfair and unreasonable rates.

I did not want the broad statement of the Senator which was made a moment ago to go into the Record without some little word of explanation upon my part, and I thank the Senator for yielding.

Mr. LENROOT. I am glad to accept the Senator's qualifications, and while I did not wish to be unfair to the Senator at all, yet I did infer from his general attitude exactly as I stated. I do think from the Senator's very emphatic position that he has taken upon many occasions that we really would expect him to be about one of the last, at least, to sanction any kind of price fixing upon the part of the Government. That being so, I did suggest to him that I did not believe that we could very well rely upon that as a remedy for an evil condition that might arise in the future.

But I want to follow up the Niagara Falls proposition for just a moment. There is just one reason for the creation of a commission with the broad powers that are given in the bill to grant license to public utilities for the development of navigation and the creation of water power, and that is that in the great multitude of cases it would be impossible for the Congress to act upon each one of them separately with any degree of speed or with any assurance that within any reasonable time legislation would be enacted.

But that is the only reason, and wherever a case exists where the water power is of such magnitude that it ought to have the attention of Congress, then the Congress would be justified in devoting its time to the consideration of it and acting directly upon it. I say, in such case no authority should ever be delegated to any commission to handle it and dispose of it under general rules.

The Niagara Falls project and the St. Lawrence River boundary waters are of exactly that character. In addition to the magnitude of the project it is an international waterway. We have to depend upon agreements with the Dominion of Canada for the utilization of that water. A matter of that magnitude and involving international relations ought not to be delegated to this board of three secretaries. So I sincerely hope that the Senator from Mississippi [Mr. HARRISON] will offer an amendment excluding Niagara Falls and the boundary waters of the St. Lawrence River from the provisions of the bill so that it may be treated separately.

Let me say in this connection, and I think it is well known to Senators, that for years there has been legislation pending, sometimes passed by one House of Congress and sometimes the other, for the administration of the Niagara Falls project, and, while I have no evidence of the truth of what I am about to say, I have been convinced for a long time that it is this power company itself that has prevented legislation disposing of or regulating the project, because there have been times when the Senate and the House have been willing to have gotten together and agreed upon the legislation, as I think the Senator from Mississippi well knows.

Mr. HARRISON. Mr. President—

Mr. LENROOT. I yield to the Senator from Mississippi.

Mr. HARRISON. In this connection I might say—the Senator is familiar with the fact—that there is a treaty between this country and Canada appointing a joint commission to look after the Niagara Falls proposition.

Mr. LENROOT. There is, and in addition to that the international joint commission is now at work, I understand, upon a survey of the St. Lawrence River and the development of navigation upon it. I understand that there is 2,000,000 horsepower, equal to one-third of all the water power now developed in the entire United States, capable of development at Niagara Falls and in the St. Lawrence River to-day. That is a matter of such magnitude and of such importance to the



Nation that we ought not to delegate to three men the disposition of that under the terms of the bill.

Now, Mr. President, to get back to the matter of charges, the right of the commission to exact compensation, taking, for example, the case of the Niagara Power Co., which, if I recollect the testimony aright, is developing power for between \$10 and \$15 per horsepower per year—about one-half of what other power costs—which power enters into manufacturing and into the production of cyanamide and fertilizer, a monopoly in this country, except for the nitrates from Chile, charging what they pleased to the consumer, will any one tell me how the public is going to get any benefit from this gift, or from exacting only a nominal charge? I have said upon occasions in the past years that if these people would permit the incorporation in legislation of this character of the right upon the part of the Government to fix the price of the product created by water power, I would never ask for the imposition of the charge of a single penny; but they have repeatedly stated that, as between the right of the Government to fix the price and to exact a charge, they preferred the charge.

Mr. President, we have no right, as I see it, in dealing with this great subject, these water powers of so much importance to all the people of the United States, to give away to private individuals one thing further than is necessary in order to secure development. It is a betrayal of trust upon the part of the Congress of the United States if we go one step further than that. We are here representing the public interests; we are here representing the people of the United States. We ought not to stand here inquiring what the water-power people want and then get all we can for them. I have no quarrel with the water-power people; I do not blame the water-power people for trying to get everything they can in this legislation; that is human nature. They will not be the ones to blame if they get it; but we will be the ones to blame, that we have been considering their interests instead of the public interest if we give it to them.

So, Mr. President, the Senate committee amendment with reference to the nominal charge ought not to be agreed to, but the House provision should remain as it is, as it was agreed upon by Secretary Daniels, Secretary Lane, and Secretary Baker. That will not mean the imposition of a charge in every case; it will not mean the imposition of anything but a nominal charge where the power is distributed to the general public; but it will mean, or it should mean, the imposition of a charge in all cases where the public can not get the benefit of the low cost of the water power compared with the high cost of steam power. That is all there is to the proposition.

In the case of a water-power company developing a great power and the same stockholders erecting a factory alongside of it, using the developed power by themselves, where no regulating authority can give relief to the public, it would mean that the commission would exact a charge, so that the only way in which the public can secure any benefit from the granting of this enormously valuable privilege shall come to the public in the way of a reduction of taxation to the people of the United States.

Mr. President, these are the general observations which I have desired to make with reference to the pending bill. I shall have occasion to discuss some of the amendments as they come up. I do believe in the general theory of the bill as it passed the other House; I believe in the development of our water power; I believe it can be better developed under private ownership, in the first instance, than by the Government itself. For the Government itself to undertake to develop all the water power in this country would, I am afraid, mean criticism of the Congress of the United States compared to which criticism of the river and harbor bill would be regarded as infinitesimal. That is no reflection upon Congress. If Congress undertook to develop all of these water powers, we all know what would happen. Water powers would not be developed according to the market needs, according to the actual necessities of the case, but they would be developed in different parts of the country in the hope and the prospect that they would draw to them manufactures; they would be nothing but experiments. If private capital, however, goes in and develops, in the first instance, it is safe to say that only such water powers will be developed as there is a commercial need for. In doing that we ought not to go one step further than to give such inducements to private capital as will result in the investment of private capital, the development of power, and the production of electric current. Anything beyond that is giving to them something that belongs not to us to give, but for which we are merely trustees for the people of this great country. Because the Senate committee amendments go further than is necessary to secure this development, go further than

the water-power people themselves have asked Congress to go less than a year since, I say the amendments which I have been discussing ought not to be agreed to.

The PRESIDING OFFICER (Mr. NUGENT in the chair). The Secretary will read the bill for committee amendments.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Commerce was, in section 2, on page 2, line 6, after the words "salary of," to strike out "\$5,000" and insert "\$6,000"; at the beginning of line 8 to strike out "in so far as practicable"; and in line 10, after the word "personnel," to insert "except as may be otherwise provided by law"; in line 16, after the word "by," to strike out "the commissioners or by their" and insert "its"; and in line 17, after the word "under," to strike out "their" and insert "its," so as to make the section read:

SEC. 2. That the commission shall appoint an executive secretary, who shall receive a salary of \$6,000 a year, and prescribe his duties. The work of the commission shall be performed by and through the Departments of War, Interior, and Agriculture, and their engineering, technical, clerical, and other personnel except as may be otherwise provided by law.

All of the expenses of the commission, including rent in the District of Columbia, all necessary expenses for transportation and subsistence, including, in the discretion of the commission, a per diem of not exceeding \$4 in lieu of subsistence incurred by its employees under its orders in making any investigation, or conducting field work, or upon official business outside of the District of Columbia and away from their designated points of duty, shall be allowed and paid on the presentation of itemized vouchers therefor approved by a member or officer of the commission duly authorized for that purpose; and in order to defray the expenses made necessary by the provisions of this act there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of \$100,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury upon order of the commission.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 6, after the word "meaning," to strike out "when found in" and insert "for the purposes of," and, after line 11, to strike out:

"Reservations" means lands and interest in lands owned by the United States and withdrawn, reserved, or withheld from private appropriation and disposal under the public-land laws, and lands and interest in lands acquired and held for any public purpose."

And insert:

"Reservations" means national monuments, national parks, national forests, tribal lands embraced within Indian reservations, military reservations, and other lands and interests in lands owned by the United States, and withdrawn, reserved, or withheld from private appropriation and disposal under the public-land laws; also lands and interests in lands acquired and held for any public purpose."

So as to read:

SEC. 3. That the words defined in this section shall have the following meaning for the purposes of this act, to wit:

"Public lands" means such lands and interest in lands owned by the United States as are subject to private appropriation and disposal under public-land laws. It shall not include "reservations," as hereinafter defined.

"Reservations" means national monuments, national parks, national forests, tribal lands embraced within Indian reservations, military reservations, and other lands and interests in lands owned by the United States, and withdrawn, reserved, or withheld from private appropriation and disposal under the public-land laws; also lands and interests in lands acquired and held for any public purpose."

The amendment was agreed to.

The next amendment was, on page 4, after line 14, to strike out:

That the term "navigable waters" as used in this act and as applied to streams shall be construed to include only such streams or parts of streams as are in their ordinary natural condition used for the transportation of persons or property in interstate or foreign commerce, or which through improvement heretofore or hereafter made have been or shall become usable in such commerce.

And insert:

"Navigable waters" means those parts of streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States, and which either in their natural or improved condition, notwithstanding interruptions by falls, shallows, or rapids compelling land carriage, are used or suitable for use for the transportation of persons or property in interstate or foreign commerce, including therein all such interrupting falls, shallows, or rapids, together with such other parts of streams as shall have been authorized by Congress for improvement by the United States or shall have been recommended to Congress for such improvement after investigation under its authority.

Mr. KING. Mr. President, I should like to ask the Senator from Minnesota if he considers the last four lines of the amendment, being lines 6, 7, 8, and 9, on page 5, to be necessary to perfect the bill. The words to which I am directing the Senator's attention are the following:

Together with such other parts of streams as shall have been authorized by Congress for improvement by the United States or shall have been recommended to Congress for such improvement after investigation under its authority.

Mr. NELSON. Mr. President, I deem the words quoted by the Senator from Utah important and essential. There may be

a stream that is navigable for a certain distance; there may be interruptions by waterfalls or other obstructions and then another reach of the river may be navigable, and Congress may conclude that it will improve that river and extend navigation on it. This is to permit the Government to do that. That is the object of it:

Together with such other parts of streams as shall have been authorized by Congress for improvement by the United States or shall have been recommended to Congress for such improvement after investigation under its authority.

This is to leave subject to Federal control in reference to water-power development those streams which the Federal Government has improved for purposes of navigation or has recommended and is about to improve.

I want to say in illustration of this that it is customary at the time of the consideration of each river and harbor bill for Senators desiring some river or stream in their States to be improved or made navigable to secure the insertion in the river and harbor bill of a provision for a preliminary examination and survey; and if after such preliminary examination and survey by the War Department they regard the stream as worthy of improvement they go on and make a further examination and an estimate; they go on and formulate the plans for the improvement and make an estimate of the cost, and after those preliminary steps are taken it is ripe for the action of Congress.

There are many places in the country where they are still expecting to improve streams; and this is to put those streams on which the Government has made or recommended improvements in the same list with other navigable waters.

Mr. KING. If the Senator will pardon me, I am afraid that the definition of "navigable waters" as found in lines 22 to 25, on page 4, and also lines 1 to 9, on page 5, will include practically every little rivulet and stream and creek that can be found within the limits of most of the States of the United States; and I am afraid that under this bill and under the definitions to which I have called the Senator's attention it will be asserted by those having the administration of the bill that every little stream or rivulet that finds its way directly or indirectly into a larger stream which may become navigable is under the jurisdiction of this commission, so that no man may go upon these little streams and utilize the waters therein flowing for power or other purposes contemplated by this bill, or within the scope of this bill, without obtaining permission from the commission which is created by the bill. It looks to me as though you are putting into the hands of this commission too much power to superimpose itself upon the States, and to control every little stream within the confines of the States.

Mr. NELSON. I think the apprehensions of the Senator from Utah are not warranted. If the whole paragraph be read and considered as an entirety, it will appear that it relates only to navigable streams. It starts out here with the phrase "over which Congress has jurisdiction." The authority of Congress over streams relates to utilizing them for navigation for commercial purposes under the interstate-commerce clause of the Constitution. This covers streams either in their natural condition or streams that Congress by appropriation has improved and made navigable. They are all subject to the provisions of this bill.

I want to call the attention of the Senator in this connection to another provision of the bill, in section 23, which relates to the construction of dams over portions of streams that are not navigable. The commission in that case is authorized to investigate, and if it finds that they are local streams, not navigable, not used for interstate commerce, it can grant authority for the improvement of the streams, subject to State laws. I will read the concluding paragraph of that part of the section.

Mr. KING. What section is the Senator referring to?

Mr. NELSON. Section 23. It is an amendment of the Senate committee. It commences in line 21, near the bottom of page 36, and reads as follows:

That any person, association, corporation, State, or municipality intending to construct a dam or other project works across, along, over, or in any stream or part thereof, other than those defined herein as navigable waters, and over which Congress has jurisdiction under its authority to regulate commerce between foreign nations and among the several States, may in its discretion file declaration of such intention with the commission, whereupon the commission shall cause immediate investigation of such proposed construction to be made, and if upon investigation it shall find that the interests of interstate or foreign commerce would be affected by such proposed construction, such person, association, corporation, State, or municipality shall not proceed with such construction until it shall have applied for and shall have received a license under the provisions of this act.

And I call the Senator's attention particularly to this part of the amendment:

If the commission shall not so find, and if no public lands or reservations are affected, permission is hereby granted to construct such dam or other project works in such stream upon compliance with State laws.

It remits them in that case to the jurisdiction of the States; and I do not think there is any danger to be apprehended under the provision that we are now considering on pages 4 and 5. It only relates to navigable streams that are either navigable in their natural condition or that have been made navigable by an act of Congress, or that have been recommended for improvement; and there are many such streams in the country.

Mr. KING. Mr. President, the definition of navigability by the courts has not always been clear; and I assert now that under the definition which is given here, particularly in view of the language "parts of streams" which are to come within the jurisdiction of this organization, the Federal Government will assert control over every little rivulet, creek, and brook in every part of the United States that may be traced to some stream which, later on in its progress to the sea, becomes navigable at some point and somewhere; and it will assert this jurisdiction to the extent of denying to a man, where this little rivulet or brook or stream flows through his own farm, the right to utilize it for power purposes, even though he may develop only one or two horsepower, until and unless he comes to Washington and throws himself upon the mercy of the big autocracy or bureaucracy that is set up by this bill.

I call attention to this, and I warn the Senator that his constituents and the constituents of other Senators will find the galling chains of the Federal Government around their necks, and they will find interference upon the part of the Federal Government with their assertion of rights with respect to streams, small in character, that are contiguous to their own properties and within their own States.

Mr. LENROOT. Mr. President, the Senator from Utah [Mr. KING] seems to think that this amendment enlarges the jurisdiction of Congress and this commission over navigable streams. Exactly the contrary is true. This definition unquestionably restricts the technical jurisdiction which Congress would have if this language, instead of attempting to define navigable streams, should merely be the term "navigable streams." Under some of the decisions of the Supreme Court of the United States it may be that they would go to the very spring at the top of a mountain; but this definition very greatly restricts it, and, instead of this being a dangerous definition, the Senator from Utah upon the very ground that he urges his objection ought to favor it, because it certainly is true that the jurisdiction of this commission over the granting of licenses for dams will not be as great under this bill as if merely and only the term "navigable streams" had been used.

Mr. FLETCHER. Mr. President, I quite agree with the Senator from Wisconsin in his construction of this paragraph. Certainly it is limited to those waters over which Congress has jurisdiction, and then it goes on to define in what way that jurisdiction is evidenced, by the actual improvement of the stream itself. So it is not left to the broad general definition of navigable waters. It is specified what we mean by navigable waters, in that they are such waters as come within the commerce clause, and also where the streams have actually been taken over by Congress to the extent that they have been improved, or where Congress has in due process actually gone to work to improve them. It leaves out of consideration altogether, I think, such streams as the Senator from Utah has in mind, and confines the definition of navigable waters to those which are unquestionably and actually navigable waters.

Mr. KING. Mr. President, I perhaps was unfortunate in my expression if I conveyed the idea that I was quarreling with this definition in preference to some of the decisions which have been announced by the courts. I appreciate what the Senator from Wisconsin has said and agree entirely with him. I think that the decisions of some of the courts as to what are navigable streams press the limit of reason and common sense. I appreciate that this is somewhat of a limitation upon the definitions which have been prescribed by some of the nisi prius courts, if not some of the appellate Federal courts. But what I had in mind was a greater narrowing of the proposition, and if I had my way I should restrict the interpretations placed by the courts still further than what has been done by the language to which attention was called.

I referred a moment ago to the words "parts of streams," and I asserted that I was apprehensive that under those words, as well as the following words within this amendment, the instrumentality created by the bill would extend its power and its authority to little streams and rivulets and brooks within the States, upon the ground that they were a part of a stream which in some part of its progress toward the ocean became navigable.



I would like to see this definition of navigability very much narrowed, so that the power of this organization set up, this Federal machinery, might be restricted, and that it might confine its activities to the large streams, which, in fact, are navigable—streams like the Missouri and the Mississippi, the broad waterways of our country—so that it would be clear that they should not attempt to take jurisdiction over the little streams and rivulets within the States which minister so much to the welfare of the people, and which could be utilized by the people in a small way for the development of a limited amount of electric energy.

The PRESIDING OFFICER (Mr. CAPPER in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, in section 3, page 5, line 15, after the word "others," to strike out the words "from which flows surplus water not needed for Government purposes that may be disposed of under the provisions of this act," so as to make the paragraph read:

"Government dam" means a dam or other work constructed or owned by the United States for Government purposes, with or without contribution from others.

The amendment was agreed to.

The next amendment was, on page 6, line 22, after the words "additions or betterments," to insert the words "or used for the purposes for which such reserves were created," so as to make the paragraph read:

"Net investment" in a project means the actual legitimate original cost thereof as defined and interpreted in the "classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission," plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) Unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions or betterments or used for the purposes for which such reserves were created.

The amendment was agreed to.

The next amendment was, on page 7, line 2, after the words "or others," to insert the words "and said classification of investment of the Interstate Commerce Commission shall, in so far as applicable, be published and promulgated as a part of the commission's rules and regulations," so as to read:

The term "cost" shall include, in so far as applicable, the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others, and said classification of investment of the Interstate Commerce Commission shall, in so far as applicable, be published and promulgated as a part of the commission's rules and regulations.

The amendment was agreed to.

The next amendment was, in section 4, page 7, line 9, after the word "concerning," to insert the words "the utilization of the water resources of any region to be developed"; in line 10, after the word "the," to insert the word "water"; and, in line 16, after the word "extent," to strike out the word "it" and insert the words "the commission," so as to make the paragraph read:

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value of such power, to the extent the commission may deem necessary or useful for the purposes of this act.

The amendment was agreed to.

The next amendment was, on page 10, line 2, after the word "act," to add the following additional proviso:

And provided further, That upon the filing of any application for a license which has not been preceded by a preliminary permit under subsection (e) of this section, notice shall be given and published as required by the proviso of said subsection.

The amendment was agreed to.

The next amendment was, on page 11, line 21, after the words "with the," to strike out the words "issuance of" and to insert the words "application for"; and, on page 12, line 10, after the word "commission," to insert the words "or by its executive officer," so as to read:

(g) To hold hearings and to order testimony to be taken by deposition at any designated place in connection with the application for any permit or license, or the regulation of rates, service, or securities, or the making of any investigation, as provided in this act; and to require by subpoena, signed by any member of the commission, the attendance and testimony of witnesses and the production of documentary evidence from any place in the United States, and in case of disobedience to a subpoena the commission may invoke the aid of any

court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any member, expert, or examiner of the commission may, when duly designated by the commission for such purposes, administer oaths and affirmations, examine witnesses and receive evidence. Depositions may be taken before any person designated by the commission or by its executive officer and empowered to administer oaths, shall be reduced to writing by such person or under his direction, and subscribed by the deponent.

The amendment was agreed to.

The next amendment was, in section 6, page 13, line 18, after the words "may be altered," to insert the words "or surrendered," so as to make the section read:

SEC. 6. That licenses under this act shall be issued for a period not exceeding 50 years. Each such license shall be conditioned upon acceptance by the licensee of all the terms and conditions of this act and such further conditions, if any, as the commission shall prescribe in conformity with this act, which said terms and conditions and the acceptance thereof shall be expressed in said license. Licenses may be revoked only for the reasons and in the manner prescribed under the provisions of this act, and may be altered or surrendered only upon mutual agreement between the licensee and the commission after 90 days' public notice.

The amendment was agreed to.

The next amendment was, in section 7, page 13, line 23, after the word "issued," to insert the words "and in issuing licenses to new licensees under section 15 hereof"; and, on page 14, line 2, after the word "shall," to insert the words "within a reasonable time to be fixed by the commission"; and, in line 9, after the word "region," to insert the words "if it is satisfied as to the ability of the applicant to carry out such plans," so as to make the section read:

SEC. 7. That in issuing preliminary permits hereunder or licenses where no preliminary permit has been issued and in issuing licenses to new licensees under section 15 hereof the commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the commission equally well adapted, or shall within a reasonable time to be fixed by the commission be made equally well adapted, to conserve and utilize in the public interest the navigation and water resources of the region; and as between other applicants, the commission may give preference to the applicant the plans of which it finds and determines are best adapted to develop, conserve, and utilize in the public interest the navigation and water resources of the region, if it is satisfied as to the ability of the applicant to carry out such plans.

The amendment was agreed to.

The reading of the bill was continued to the bottom of page 14.

Mr. CHAMBERLAIN. Permit me to ask the Senator from Minnesota if the word "assign" ought not to be "assignee" on page 14, the first word in line 25, "any successor or assign of the rights"?

Mr. WALSH of Montana. I observe that the same form of language is used throughout the bill, and I think the expression is quite proper. It is very common to speak of heirs and assigns.

Mr. NELSON. "Assign" is proper and also the word "assignee."

Mr. CHAMBERLAIN. I do not insist upon it. It appears to me as though it ought to be assignee.

The reading of the bill was resumed.

The next amendment was, on page 15, in line 6, after the words "trust deed or," to insert the word "judicial," so as to make the proviso read:

Provided, That a mortgage or trust deed or judicial sales made thereunder or under tax sales shall not be deemed voluntary transfers within the meaning of this section.

Mr. WALSH of Montana. I think that the word "judicial" ought not to be in. I think the amendment ought to be disagreed to.

Mr. LENROOT. I will state to the Senator from Montana that the reason for putting the word "judicial" in there is to prevent a fraud under the terms of the bill against assignment or transfer unless it is a judicial sale. It might be used as a subterfuge for making a sale that the commission would not otherwise permit, but if it is a judicial sale the courts, of course, would see that it was a bona fide transaction.

Mr. WALSH of Montana. But the provision is that the sale must be made under a mortgage or trust deed. That, of course, shuts out a sale under a power and absolutely forbids the foreclosure of a mortgage through the usual power of sale given by the mortgagor.

Mr. LENROOT. It would be very easy, if for any reason the commission should decline to submit to a transfer that was sought by a licensee, to place a mortgage upon the property and then through connivance secure a transfer under that language, but if it is confined to a judicial sale the court would protect in all cases the bona fides of the proposition. I think the word "judicial" ought to stay.

Mr. WALSH of Montana. I scarcely think that there is any justification for that. It is a procedure that is authorized by the express statutes of many States and for the purpose of

reducing the cost of a foreclosure. There would be no advantage whatever secured by requiring the disposition to be made through a judicial sale. A mortgage is put upon the property, default made, and there is a foreclosure decree and the sale is made. The only thing the court inquires into is whether the default has been made in the payment. If the court finds default has been made in the payment, it does not even—

Mr. LENROOT. If it is a bona fide transaction. It might be a mere moot transaction as between the parties for this purpose alone, but the court would have to be satisfied that there was in fact a default before the court would order a foreclosure.

Mr. WALSH of Montana. The difficulty is just the same in one case as it is in the other. If the thing was in fact moot, if there was really no default, the party would be in a worse situation under the power of sale, because under the power of sale everything must be straightforward and perfectly in accordance with the statute. The slightest departure from it would invalidate the sale.

Mr. LENROOT. Not as between the parties if they were all agreed, of course.

Mr. WALSH of Montana. Of course not, if they were all agreed.

Mr. LENROOT. It then becomes a mere formality.

Mr. WALSH of Montana. Then we should assume that they are all agreed in the other case too.

Mr. LENROOT. No.

Mr. WALSH of Montana. Here is the situation: The licensee applies for leave to sell and the commission denies it. That is the case the Senator puts. Thereupon the licensee puts a mortgage upon the property. Default occurs in the mortgage. The Senator assumes that the default is collusive. Accordingly the public, or some one representing the public, goes into court and represents as a friend of the court that the proceedings are entirely collusive and the court dismisses the suit. That is what the Senator might expect.

In exactly the same way if the whole proceeding was collusive and the foreclosure attempted through exercise of the power of sale and not through a decree of foreclosure, the commission would equally declare the whole proceeding fraudulent and void, and would be authorized to go on and issue a license to some one else who would contest the right of foreclosure under the power, and charge, and very properly charge, that the whole thing was an evasion of the statute.

So there would not be any better opportunity to get a transfer of the property through the one proceeding than through the other, and you shut out the right to have a foreclosure under the power of sale which is authorized by the statutes of many States, because it has been found less expensive than the other method of procedure.

Mr. LENROOT. The mere matter of a little expense in a matter of this kind it seems to me ought not to have the slightest weight. The public has an interest in these transfers, and where the public has an interest it ought to be of sufficient importance that a judicial sale or a judicial sanction is required, because we prohibit exactly those things to be done voluntarily, and in so far as language can do it we ought to guard against the thing being done surreptitiously that the bill itself will directly prohibit.

Mr. WALSH of Montana. As a matter of course if any good is accomplished by it at all, I am not complaining about the expense. The point I am making is that you do not accomplish anything by it and you prohibit the less expensive method of making the sale.

Mr. NELSON. Will the Senator from Montana allow me to make a suggestion? It is that after the words "Provided, That a mortgage or trust deed" there be inserted the words "or obtaining a sale judicially," or you could make it more definite by providing for a sale under a mortgage or trust deed containing a power of sale. Would not that cover it?

Mr. WALSH of Montana. It would, but, of course, that would meet with exactly the objection that the Senator from Wisconsin urges to the language of the bill originally. I do not attach enough importance to it to press the objection I made. I am simply calling attention to the fact that you do not accomplish anything by the amendment and you force the adoption of the more expensive method of foreclosure.

Mr. NELSON. I want to call the Senator's attention to another matter. "Judicial sale" might apply to the enforcement of a mechanic's or a material man's lien. Suppose a mechanic or material man had acquired a statutory lien against the property and he should proceed to enforce that lien and there was a sale under it, that would be a judicial sale and would be covered by a mortgage or trust deed.

Mr. WALSH of Montana. But I call the Senator's attention to the fact that the words "judicial sales" are qualified by the language which follows, namely, "made thereunder"—that is, under a mortgage or trust deed. It must be a judicial sale made under a mortgage or trust deed and would not include a judicial sale made under a mechanic's lien.

Mr. NELSON. What amendment does the Senator suggest?

Mr. WALSH of Montana. My suggestion was that the committee amendment inserting the word "judicial" should be disagreed to, leaving it as it was, but, as I said, I do not care to press the point at all.

Mr. NELSON. I think the word ought to be in because of the cases I referred to a moment ago. They are not covered by a mortgage or trust deed. I refer to the enforcement of a mechanic's lien, a laborer's lien, or a material-man's lien. He may proceed in an action, acquire judgment, and have a sale under the judgment, and there is no reason why his judgment or a sale under that judgment should not have the same protection as a mortgage or trust deed.

Mr. WALSH of Montana. The Senator is quite right about that.

Mr. NELSON. That is the way I feel and that is why I think the word is proper.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was on page 17, in line 2, after the word "shall," to insert the words "establish and," and, in line 9 and line 10, to strike out the word "dam" and the word "reservoir," and insert in lieu thereof the words "project works," so as to make the paragraph read:

(c) That the licensee shall maintain the project works in a condition of repair adequate for the purposes of navigation and for the efficient operation of said works in the development and transmission of power, shall make all necessary renewals and replacements, shall establish and maintain adequate depreciation reserves for such purposes, shall so maintain and operate said works as not to impair navigation, and shall conform to such rules and regulations as the commission may from time to time prescribe for the protection of life, health, and property. Each licensee hereunder shall be liable for all damages occasioned to the property of others by the construction, maintenance, or operation of the project works or of the works appurtenant or accessory thereto, constructed under the license, and in no event shall the United States be liable therefor.

The amendment was agreed to.

The next amendment was, on page 17, line 15, before the word "rate," to insert the word "reasonable," so as to read:

(d) That after the first 20 years of operation out of surplus earned thereafter, if any, accumulated in excess of a specified reasonable rate of return upon the investment of a licensee in any project or projects under license the licensee shall establish and maintain amortization reserves, which reserves shall, in the discretion of the commission, be held until the termination of the license or be applied from time to time in reduction of the net investment. Such specified rate of return and the proportion of such surplus earnings to be paid into and held in such reserves shall be set forth in the license.

The amendment was agreed to.

The next amendment was, on page 17, after line 23, to strike out:

(e) That the licensee shall pay to the United States reasonable annual charges in an amount to be fixed by the commission. When licenses are issued that contemplate the use of Government dams or other structures owned by the United States, in the discretion of the commission the charges to be paid by the licensee may be readjusted at the end of 20 years after the beginning of operations and at periods of not less than 10 years thereafter, in a manner to be described in each license.

And in lieu thereof to insert:

That the licensee shall pay for the license herein granted such reasonable annual charges as may be fixed by the commission, for the purpose of reimbursing the United States for the cost of administration of the act in relation to water powers developed under its jurisdiction, in the proportion that the water power developed by the project covered by said license bears to the total water power developed by all projects licensed under the act, and for that purpose such charges may be readjusted from time to time, not oftener than once in two years; the licensee shall also pay for the use and occupation of any public lands and lands in reservations, except tribal lands embraced within Indian reservations, necessary for the development of the project covered by the license such reasonable annual charges based upon the actual value of the Government lands used as may be fixed by the commission; but in no event shall the annual charge for the foregoing exceed 25 cents per developed horsepower: *Provided*, That when licenses are issued involving the use of Government dams or other structures owned by the United States or tribal lands embraced within Indian reservations the commission shall fix a reasonable annual charge for the use thereof, and such charges may be readjusted at the end of 20 years after the beginning of operations and at periods of not less than 10 years thereafter in a manner to be described in each license.

Mr. NELSON. Mr. President, the amendment which has just been stated being in controversy, let it be passed over.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

Mr. WALSH of Montana. Mr. President, it is quite agreeable to me that this amendment should be passed over, but I express



the hope that when we come back to the consideration of it the Senate will conclude not again to precipitate this basic controversy concerning the matter of the charge that should be made or whether any charge should be made. That is the rock upon which all of this legislation has split for 10 years, and I had hoped that we had passed that difficulty. It was the main bone of contention, as is well known, in the conference committee that last considered this legislation. They finally worked out a provision which I think would have been entirely satisfactory to both Houses if the conference report had ever come before them for consideration. By "satisfactory" I mean that the two Houses would have adopted it without very much serious debate. That provision is found on page 7 of the report of the conference committee and reads as the original bill read, with a proviso. The committee saw fit again to introduce the contention that has brought us to grief in this legislation up to the present time. The conference report reads:

(e) That the licensee shall pay to the United States reasonable annual charges in an amount to be fixed by the commission. When licenses are issued that contemplate the use of Government dams or other structures owned by the United States, in the discretion of the commission the charges to be paid by the licensee may be readjusted at the end of 20 years after the beginning of operations and at periods of not less than 10 years thereafter, in a manner to be described in each license.

Then follows this proviso, which is in the bill as it comes to us from the other House, but I think is taken care of in another section:

*Provided*, That licenses for the development, transmission, or distribution of power by States or municipalities shall be issued and enjoyed without charge to the extent such power is used by such State or municipality for State or municipal purposes; and that licenses for the development, transmission, or distribution of power for domestic, mining, or other beneficial use in projects of not more than 50 horsepower capacity, may be issued without charge; but in no case shall a license be issued free of charge for the development and utilization of power created by any Government dam and that the amount charged therefor in any license shall be such as determined by the commission.

Mr. President, I do not desire to enter into any discussion at this time of the merits of the plan proposed by the committee, but we all recognize that it is exactly the plan that has blocked all water-power legislation during all of these years. The Senate, when similar legislation was last before it, concluded to recede from the position and adopt the contention thus far insisted upon by the other House and which will again be insisted upon by the House. Why now go through the formality of throwing this into the committee of conference again?

Mr. LENROOT. Mr. President—

Mr. WALSH of Montana. I yield to the Senator from Wisconsin.

Mr. LENROOT. I merely wanted to call the Senator's attention to the fact that the proviso he has read is substantially in the bill now.

Mr. WALSH of Montana. I so understood, but it is in another place.

I merely desire to say another word, Mr. President. There has always been a great deal of apprehension that the board in fixing the charge would fix it so high as to make development impossible. Of course, however, the charge will be fixed in the original license, and the man who invests his money will know in advance just exactly what his charge is going to be. I can not believe that a board constituted of the Secretary of Agriculture, the Secretary of War, and the Secretary of the Interior will be any less desirous of having this development go on than any of us here, who are vitally concerned in seeing these great natural resources developed for the use of the people. I can not believe that at least more than one of the three will be an obstructionist. I accordingly anticipate that there will be nothing unreasonable about the charges; indeed, I think they will be so graduated as to encourage construction.

I might here say that we could with profit utilize the lesson that we have learned in connection with the forest reserves. When those reserves were first established and the policy was inaugurated of charging stock growers a fee for the privilege of grazing their stock upon the forest reserves—an exaction which had never theretofore been made, perfect freedom having been given to everybody to utilize whatever forage there was upon the reserve without expense at all—a perfect uproar was raised all through our country; and I may say that I myself contributed somewhat to the general complaint against the system. But I stand here to assert that all of that opposition has practically gone; there is no longer in the West any complaint about the system in general, nor, as a rule, about the burden of the charge. I believe that the system has demonstrated, in a general way at least, its wisdom; and I believe that the officers charged with the administration of it now enjoy the confidence of the people of the West. So I have not myself the slightest fear that if we leave the matter entirely in the discretion of

the board to fix such charges as they think reasonable and right and fair anybody will have any cause to complain about their action.

I recognize that there are some who contend that there is no right in the Government of the United States to make a charge in these matters; but that, as I say, precipitates the old controversy, which I had hoped we had passed. I entertain a very ardent hope that we shall leave the bill in that respect as it came to us from the other House.

Mr. SMOOT. I rise now simply to say that I can not agree with what the Senator from Montana has said. This is a very vital question to the future development of the water powers in the United States. I am not going to take the time of the Senate now to discuss the merit of the question; but I think that the position of the Senate in the past has been the proper one to take, and I certainly do not want, in the absence of the chairman of the committee, any change made in the amendment reported by the committee. I know that he is deeply interested in the question, and I know that other Senators are equally interested.

I simply wish to refer briefly to the suggestion made by the Senator from Montana.

Mr. NELSON. Mr. President, if the Senator will allow me, I have asked that the amendment may go over.

Mr. SMOOT. I understand; but I simply wish a moment or two to answer the Senator from Montana. I am quite sure the Senator from Montana has not of late received protests similar to those that I have received from the men who hold permits to graze upon the forest reserves. There has been a determined effort in the last two months not to raise the grazing fees 10 per cent or 20 per cent or 25 per cent, but the demand has been to raise them 100 per cent; and if 100 per cent increase is agreed to now, there can not be any question at all that another 100 per cent will be demanded later on.

The whole theory of controlling the forest reserves, of controlling the water powers, and controlling the oil and mineral production from all of the public lands has been changed in the last few years. When it was first formulated it was not designed that the Government should receive any appreciable amount of money on the production of oil or the grazing of cattle upon the hills of the intermountain country; all it was ever thought of charging was enough to care for the expenses of administration.

Now, particularly at the other end of the Capitol, the idea is that the Government ought to get every dollar out of such use that it is possible to get; to make the people of the West pay every cent that can be gotten out of them, the claim being that the natural resources of those States belong to the people as a whole, and therefore the Government ought to get out of them every cent that it can possibly wring out of the people who use them.

I wish to say that only last week Mr. Potter was in my office and we discussed the question of the doubling of the grazing fee for sheep and cattle upon the forest reserves. He himself stated to me that pressure was being brought upon the administration from all sources in order that they might secure more money out of the grazing privileges of the West, to be expended in other avenues of governmental endeavor.

There is a principle attached to this matter. I think the committee amendment is right, and I think that the Senate ought to stand by the committee in the amendment which it reported. I think also that if the Senate will do that there will be no failure of the bill again because of the House not acceding to the Senate amendment.

Mr. NELSON. Mr. President, let the amendment be passed over.

The VICE PRESIDENT. The amendment has already gone over.

The reading of the bill was resumed, and the Assistant Secretary read to the end of subsection (g), line 16, page 20.

Mr. CURTIS. Mr. President, would the Senator in charge of the bill mind letting the next amendment go over? The vote on the amendment on pages 17 and 18 may result in an amendment being offered to the next amendment, and yet that amendment may not be offered if the language on pages 17 and 18 is stricken out. I think it will not delay the matter, but will really save time.

Mr. NELSON. If the Senator desires, it can be passed over.

Mr. CURTIS. I think it will save time to have it go over.

Mr. NELSON. What about subsection (i)? Does the Senator desire to have both (h) and (i) go over?

Mr. CURTIS. Down to (i), yes.

Mr. NELSON. Subsections (h) and (i), on pages 20 and 21, may be passed over, then.

Mr. WALSH of Montana. Mr. President, I ask the attention of the Senator having the bill in charge. It occurs to me that the division here is not proper. It seems to me that subdivision (h) should be a separate section. It does not appear to be appropriate to the commencement of that section, which stipulates the conditions upon which the license is issued. It seems to me it would be appropriate if that were made a separate section, and the word "That" stricken out, and the subdivision read, as a separate section:

Combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy \* \* \* are hereby prohibited.

It does not seem to me that that is appropriate in a section which purports to give the conditions upon which the license is issued.

Mr. NELSON. It might, of course, be put in a new section, but I can not see why it can not stay in the place it now occupies. Perhaps it would be more logical to have a separate section for it.

Mr. WALSH of Montana. Simply because it is not a condition upon which the license is issued.

Mr. NELSON. But, at any rate, this goes over at the request of the Senator from Kansas [Mr. CURTIS].

Mr. WALSH of Montana. I merely suggest that for the consideration of the Senator.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed, beginning with line 10 on page 21.

The next amendment was, in section 12, page 22, line 21, after the word "commission," to strike out "may, before taking action upon such application," and insert "shall take no action but," so as to make the section read:

SEC. 12. That whenever application is filed for a project hereunder involving navigable waters of the United States, and the commission shall find upon investigation that the needs of navigation require the construction of a lock or locks or other navigation structures, and that such structures can not, consistent with a reasonable investment cost to the applicant, be provided in the manner specified in section 11, subsection (a) hereof, the commission shall take no action, but cause a report upon such project to be prepared, with estimates of cost of the power development and of the navigation structures, and shall submit such report to Congress with such recommendations as it deems appropriate concerning the participation of the United States in the cost of construction of such navigation structures.

The amendment was agreed to.

The next amendment was, in section 15, page 26, line 14, after the word "amount," to strike out "for the property taken," so as to read:

That if the United States does not, at the expiration of the original license, exercise its right to take over, maintain, and operate any project or projects of the licensee, as provided in section 14 hereof, the commission is authorized to issue a new license to the original licensee upon such terms and conditions as may be authorized or required under the then existing laws and regulations, or to issue a new license under said terms and conditions to a new licensee, which license may cover any project or projects covered by the original license, and shall be issued on the condition that the new licensee shall, before taking possession of such project or projects, pay such amount and assume such contracts as the United States is required to do, in the manner specified in section 14 hereof.

The amendment was agreed to.

The next amendment was, in section 15, page 26, line 18, after the word "over," to strike out "and" and insert "or"; in the same line, after the word "not," to strike out "issue" and insert "tender"; in line 19, after the word "license," to insert "on reasonable terms"; and in line 20, after the word "license," to insert "which is accepted," so as to read:

Provided, That in the event the United States does not exercise the right to take over or does not tender a new license on reasonable terms to the original or a new licensee which is accepted, then the commission shall issue from year to year an annual license—

And so forth.

Mr. NELSON. Mr. President, I understand the Senator from Montana has an amendment there, on page 26, lines 18 and 19, where the word "issue" is stricken out and the word "tender" inserted. Does the Senator from Montana desire to offer an amendment there?

Mr. WALSH of Montana. I shall be very glad to submit the amendment, in accordance with some remarks made yesterday.

In lieu of the word "tender," in line 19, page 26, I move to insert "a license to a new licensee, or tender a new license"; or, rather, strike out the words "tender a new license on reasonable terms," in line 19, and substitute—

Mr. NELSON. How would it read then?

Mr. WALSH of Montana. "A license to a new licensee, or tender a new license."

Mr. LENROOT. In that case the word "issue" should remain, the last word on line 18.

Mr. WALSH of Montana. Yes; that part of the committee amendment should be rejected. Then I move to strike out the words "or a new," at the end of line 19 and the beginning of line 20, so that it will read:

Or does not issue a license to a new licensee, or tender a new license to the original licensee.

Mr. NELSON. I have no objection to that, Mr. President.

Mr. WALSH of Montana. That contemplates, as I understand, some further change, which perhaps the Senator from Minnesota will explain.

Mr. MYERS. Mr. President, I should like to ask my colleague if that amendment would strike out and do away with the words in italics, "on reasonable terms," on line 19? Would it do away with that altogether?

Mr. WALSH of Montana. It does not affect that expression.

Mr. MYERS. It leaves those words in?

Mr. WALSH of Montana. That expression still remains in. That, however, would be taken care of, as I understand, by the amendment that will be proposed by the Senator from Minnesota.

The VICE PRESIDENT. Let us see if the Secretary can state the amendment to the satisfaction of the Senator from Montana.

The ASSISTANT SECRETARY. It is proposed to strike out the words "tender a new license on reasonable terms to the original or a new licensee," and to insert "issue a license to a new licensee or tender a new license to the original licensee," so that, if amended, the proviso will read:

Provided, That in the event the United States does not exercise the right to take over or does not issue a license to a new licensee or tender a new license to the original licensee which is accepted—

And so forth.

Mr. NELSON. I will ask the Secretary to stop at that. That is as far as this amendment goes. If that amendment is agreed to, I have another amendment to follow it. I agree to that amendment, Mr. President.

Mr. MYERS. As read it proposes to strike out the words "on reasonable terms."

Mr. NELSON. I have another amendment to offer there, if the Senator from Montana will wait. This amendment has been agreed to?

The VICE PRESIDENT. The amendment of the Senator from Montana to the amendment is agreed to, and the amendment as amended is agreed to.

Mr. NELSON. Now I offer the following amendment:

After the word "license," in line 19, insert the following words:

Upon the terms and conditions aforesaid.

Mr. SMOOT. That is an amendment to section 15?

Mr. NELSON. It is.

Mr. SMOOT. I ask the Senator to let that go over.

Mr. NELSON. If the Senator wants the amendment to go over, we had better have the section go over.

Mr. SMOOT. Yes; I would like to have the whole section go over.

The VICE PRESIDENT. The amendment offered by the Senator from Montana was agreed to, and it goes over now.

Mr. SMOOT. What was the amendment?

The ASSISTANT SECRETARY. To amend section 15 so that the proviso will read:

Provided, That in the event the United States does not exercise the right to take over or does not issue a license to a new licensee, or tender a new license to the original licensee which is accepted on the terms and conditions as aforesaid, then the commission shall issue from year to year an annual license to the then licensee under the terms and conditions of the original license—

And so forth.

Mr. SMOOT. Mr. President, I have not a copy of the amendment, but I may ask to-morrow morning that the amendment be reconsidered. I ask now that the section may go over, with the understanding that if I desire to-morrow to ask that the amendment be reconsidered, the request will be granted.

Mr. NELSON. Does the Senator insist upon having the section go over?

Mr. SMOOT. Yes; I want to have it go over.

Mr. NELSON. All right, Mr. President. Section 16 is the next section.

The reading of the bill was resumed. The next amendment was, on page 27, after line 22, to strike out section 17 in the following words:

SEC. 17. That the charges arising from licenses hereunder shall be paid into the Treasury of the United States. Fifty per cent of the charges arising from licenses hereunder for the occupancy and use of national forests is hereby reserved and appropriated as a special fund



In the Treasury to be expended under the direction of the Secretary of Agriculture in the survey, construction, and maintenance of roads and trails within such national forests. Fifty per cent of the charges arising from licenses hereunder for the occupancy and use of national parks is hereby reserved and appropriated as a special fund in the Treasury, to be expended under the direction of the Secretary of the Interior in the improvement and development of such parks. Fifty per cent of the charges arising from licenses hereunder for the occupancy and use of public lands, and of national monuments, and power site or other reserves outside of national forests, shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress approved June 17, 1902, known as the reclamation act. All proceeds from any Indian reservation shall be placed to the credit of the Indians of such reservation. Fifty per cent of the charges arising from all other licenses hereunder is hereby reserved and appropriated as a special fund in the Treasury to be expended under the direction of the Secretary of War in the maintenance and operation of dams and other navigation structures owned by the United States, or in the construction, maintenance, or operation of headwater or other improvements of navigable waters of the United States.

And to insert in lieu the following:

Sec. 17. That the charges arising from licenses hereunder shall be paid into the Treasury of the United States and shall be reserved as a special fund therein. Such part of said fund as Congress may from time to time direct shall be appropriated toward paying the costs of administration of this act and of conducting the investigations authorized by this act. The remainder of said fund, if any, shall be expendable under the direction of the commission in the maintenance and operation of dams or other navigation structures owned by the United States or in the construction, maintenance, and operation of headwater or other improvements of streams upon which the commission is authorized to issue licenses under this act: *Provided*, That all proceeds from any Indian reservation shall be placed to the credit of the Indians of such reservation.

Mr. LENROOT. I ask that that section may go over. It is dependent upon the action that may be taken on section 10.

Mr. NELSON. The Senator is correct. Let that section go over.

The VICE PRESIDENT. The amendment will be passed over.

#### EXECUTIVE SESSION.

Mr. NELSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened, and (at 4 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, January 7, 1920, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate January 6, 1920.*

##### RENT COMMISSION OF THE DISTRICT OF COLUMBIA.

James F. Oyster, of the District of Columbia, to be a member of the Rent Commission of the District of Columbia.

A. Leftwich Sinclair, of the District of Columbia, to be a member of the Rent Commission of the District of Columbia.

Guy Mason, of the District of Columbia, to be a member of the Rent Commission of the District of Columbia.

##### COLLECTOR OF INTERNAL REVENUE.

Carl A. Hatch, of Clovis, N. Mex., to be collector of internal revenue, district of New Mexico. New appointment.

##### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES.

###### CAVALRY ARM.

Second Lieut. James C. Styron, Coast Artillery Corps, to be second lieutenant of Cavalry, with rank from November 1, 1918.

###### COAST ARTILLERY CORPS.

Second Lieut. Auston M. Wilson, jr., Cavalry, to be second lieutenant in the Coast Artillery Corps, with rank from November 1, 1918.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate January 6, 1920.*

##### APPOINTMENTS AND PROMOTIONS IN THE NAVY.

###### To be lieutenant commanders.

Stuart E. Bray.  
Leonard R. Agrell.

###### To be lieutenants.

Clarence A. Hawkins.  
Horatio S. Ford.  
Otto H. H. Strack.  
John E. Warris.

###### To be lieutenants (junior grade).

Richard Monks.  
Clarence E. Young.

Arthur H. Daniels.  
Richard B. Fuller.  
John H. Wolters.  
Raymond C. Hunt.  
William H. Ryan, jr.  
Martin J. Jukick.

*To be assistant surgeons in the Naval Reserve, with rank of lieutenant (junior grade).*

William E. Smith.  
Alfred L. Gaither.

#### HOUSE OF REPRESENTATIVES.

TUESDAY, January 6, 1920.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, true to Thyself and ever constant in the obligations Thou hast assumed toward Thy children, give us the strength, the courage, the fortitude, to accept life with all its complications, in full faith and confidence in the overruling of Thy providence to the good of all souls; that we may think right, do right, as it is given us to see the right as we journey on toward that bourne from whence no traveler ever returns; and thus confirm our highest conceptions and be well pleasing in Thy sight. Under the spiritual leadership of the world's Great Exemplar. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. MOON (at the request of Mr. SIMS), indefinitely, on account of illness.

To Mr. THOMPSON (at the request of Mr. STEPHENS of Ohio), for 10 days, on account of sickness in family.

To Mr. CULLEN, until further notice, on account of serious illness of his mother.

To Mr. BROWNING (at the request of Mr. ACKERMAN), for one week, on account of illness.

To Mr. KENNEDY of Rhode Island, indefinitely, on account of illness.

To Mr. TAGUE, for three days, on account of illness.

To Mr. CANDLEY (at the request of Mr. STEPHENS of Mississippi), on account of illness of his wife.

To Mr. McKEOWN, indefinitely, on account of illness.

To Mr. BRAND, for three days, on account of illness in family.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 25. An act for the relief of Benjamin O. Kerlee;

S. 2207. An act admitting civilian employees of the United States Government stricken with tuberculosis to Army and Navy and Public Health Service hospitals;

S. 413. An act for the relief of the Canadian Car & Foundry Co. (Ltd.); and

S. 2189. An act to provide for agricultural entries on coal lands in Alaska.

#### SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 25. An act for the relief of Benjamin O. Kerlee; to the Committee on Claims.

S. 2189. An act to provide for agricultural entries on coal lands in Alaska; to the Committee on the Territories.

S. 413. An act for the relief of the Canadian Car & Foundry Co. (Ltd.); to the Committee on Claims.

S. 2207. An act admitting civilian employees of the United States Government stricken with tuberculosis to Army and Navy and Public Health Service hospitals; to the Committee on the Judiciary.

#### INDIAN APPROPRIATIONS.

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11368, the Indian appropriation bill; and pending that motion, I desire to